

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

You should rely on your own evaluation to assess the merits and risks of Proposed SGP2021 (as defined herein).



FRASER & NEAVE HOLDINGS BHD

(Registration No.: 196101000155 (4205-V))

(Incorporated in the Federation of Malaya under the Companies Ordinances, 1940 to 1946)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ESTABLISHMENT OF A SHARE GRANT PLAN

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Registration No.: 197501002220 (23742-V))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of Fraser & Neave Holdings Bhd ("**F&N**" or "**Company**"), to be held on a fully virtual basis through live streaming from the broadcast venue at the Auditorium, Level 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Tuesday, 19 January 2021 at 11.00 a.m. or 15 minutes after the conclusion or adjournment of the Company's 59th Annual General Meeting ("**AGM**") to be held on a fully virtual basis through live streaming from the same broadcast venue and on the same day at 10.00 a.m., whichever is the later or any adjournment thereof, together with the Form of Proxy are enclosed herein.

If you are unable to attend and vote remotely at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete the Form of Proxy in accordance with the instructions therein and deposit the same at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://boardroomlimited.my> not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy
Date and time of the EGM

: Sunday, 17 January 2021 at 11.00 a.m.
: Tuesday, 19 January 2021 at 11.00 a.m. or 15 minutes after the conclusion or adjournment of the Company's AGM to be held on the same day at 10.00 a.m., whichever is later or any adjournment thereof

This Circular is dated 21 December 2020

DEFINITION

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

Act	: Companies Act 2016
Adoption Date	: The date on which SGP2021 is adopted by the Company
AmInvestment Bank or Principal Adviser	: AmInvestment Bank Berhad (Registration No.: 197501002220 (23742-V)), being the Principal Adviser for Proposed SGP2021
Award	: A contingent award of the Shares granted under Rule 5 of the Rules
Award Date	: In relation to an Award, the date on which the Award is granted pursuant to Rule 5 of the Rules
Award Letter	: A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
Board	: Board of Directors of F&N
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CDS Account	: The account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
Circular	: This circular dated 21 December 2020 in relation to Proposed SGP2021
Committee	: A committee comprising directors of the Company appointed by the Board to administer SGP2021
Director	: Being a person that:- (i) occupies or act in the position of director; (ii) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or (iii) is an alternate or substitute director, in F&N or its Group
EGM	: Extraordinary General Meeting
Eligible Person	: Group Employee who fulfils the conditions of eligibility as stipulated in Rule 4 of the Rules
EPS	: Earnings per share
F&N Group or Group	: F&N and its subsidiaries
F&N or Company	: Fraser & Neave Holdings Bhd (Registration No.: 196101000155 (4205-V))
F&N Share(s) or Share(s)	: Ordinary share(s) of F&N
FY	: Financial year ended

DEFINITION (CONT'D)

Grant	: A grant of Awards made in writing by the Committee to the Participants in accordance with the Rules
Group Employee	: Any employee of the Group including any Group Executive Director
Group Executive Director	: A director of the Company who performs an executive function
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 November 2020, being the latest practicable date prior to the printing of this Circular
NA	: Net assets
NBV	: Net book value
Official List	: Official list of the Main Market of Bursa Securities
Participant(s)	: A selected employee of F&N Group or a selected executive director of F&N who is the holder of an Award in accordance with the Rules
Performance Condition	: In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award
Performance Period	: In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied
Performance-related Award	: An Award in relation to which a Performance Condition is specified
Proposed SGP2021 or SGP2021	: Proposed establishment of an employees' share grant plan for up to 8% of the total issued share capital of F&N (excluding treasury shares, if any) at any point in time during the duration of SGP2021 subject to the maximum limit as set out in Section 2.3 of this Circular
Registrar	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H))
Release	: In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with Rule 7 of the Rules and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7 of the Rules, the Award in relation to those Shares shall lapse accordingly and "Released" shall be construed accordingly
Release Schedule	: In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares are the subject of that Award shall be Released
Released Award	: An Award which has been Released in full or in part in accordance with Rule 7 of the Rules
Retention Period	: In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date
RM and sen	: Ringgit Malaysia and sen, respectively
Rules	: The Rules of SGP2021 as may be amended from time to time, the draft of which is set out in Appendix I of this Circular

DEFINITION (CONT'D)

Selected Person	: An Eligible Person to whom an Award has been made under SGP2021
Senior Management	: Such employees as the Committee may in its sole discretion determine to be in the senior management of the Group
SGP Period	: Proposed SGP2021 shall continue to be in force for a period of 10 years commencing on the Adoption Date, or such longer period as may be allowed by the relevant authorities
SGP Price	: The reference price which is used to determine the number of Shares to be granted under the Award as stipulated in the Award Letter
SGP2012	: Existing share grant plan of F&N expiring on 14 March 2022
Share(s)	: Ordinary shares of the Company
Termination Date	: The effective date of termination of Proposed SGP2021
Trust	: The trust established to facilitate the implementation of SGP2021
Trust Deed	: The trust deed constituting the Trust
Trustee	: The trustee for the time being appointed to be the trustee for SGP2021
Vesting	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
Vesting Date	: In relation to Shares which are the subject of a Released Award, each date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7 of the Rules
Vesting Period	: In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7 of the Rules
VWAMP	: Volume weighted average market price

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amount listed, actual figures and the totals thereof are due to rounding.

Any reference in this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment of re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

All references to “**you**” in this Circular are to the shareholders of F&N.

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FRASER & NEAVE HOLDINGS BHD

(Registration No.: 196101000155(4205-V))

(Incorporated in the Federation of Malaya under the Companies Ordinances, 1940 to 1946)

Registered Office:

Level 3A, F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur
Malaysia

21 December 2020

Board of Directors

Y.A.M. Tengku Syed Badarudin Jamalullail (Chairman) (*Non-Independent Non-Executive Director*)
Mr. Lee Meng Tat (*Non-Independent Non-Executive Director*)
Mr. David Siew Kah Toong (*Independent Non-Executive Director*)
Y.Bhg. Dato' Sri Johan Tazrin bin Hamid Ngo (*Independent Non-Executive Director*)
Madam Tan Fong Sang (*Non-Independent Non-Executive Director*)
Y.Bhg. Dato' Jorgen Bornhoft (*Non-Independent Non-Executive Director*)
Mr. Hui Choon Kit (*Non-Independent Non-Executive Director*)
Puan Aida binti Md Daud (*Independent Non-Executive Director*)
Puan Faridah binti Abdul Kadir (*Independent Non-Executive Director*)
Y.Bhg. Datuk Mohd Anwar bin Yahya (*Independent Non-Executive Director*)
Y.Bhg. Datuk Kamaruddin bin Taib (*Independent Non-Executive Director*)

To: The Shareholders of F&N

Dear Sir / Madam,

PROPOSED SGP2021

1. INTRODUCTION

On 4 November 2020, AmInvestment Bank had, on behalf of the Board, announced that F&N proposes to establish a share incentive plan, SGP2021 for the employees and executive directors of the Group, details of which are set out in Section 2 of this Circular.

On 17 November 2020, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 16 November 2020, resolved to approve the listing of up to 8% of the total number of issued Shares to be issued pursuant to Proposed SGP2021 on the Main Market of Bursa Securities subject to the conditions as set out in Section 6 of this Circular.

The purpose of this Circular is to provide you with the relevant information in relation to Proposed SGP2021 and to seek your approval for the resolution pertaining to Proposed SGP2021 to be tabled at the Company's forthcoming EGM to be convened. The notice of EGM and the Form of Proxy are enclosed in this Circular.

You are advised to read and carefully consider the contents of this Circular together with the appendices contained herein before voting on the resolution pertaining to Proposed SGP2021 to be tabled at the Company's forthcoming EGM to be convened.

2. DETAILS OF PROPOSED SGP2021

At present, the Company has an on-going SGP2012 which was implemented on 15 March 2012 and is due to expire on 14 March 2022. The total number of Shares which are available under SGP2012 is up to 10% of the issued and paid-up capital of the Company.

Under SGP2012, the Company generally has been granting awards to eligible participants and vesting the awards over a period of 3 years. The Award, if any, granted now under SGP2012 would need to be vested before SGP2012 expires on 14 March 2022.

To be able to continue with F&N's current practice of vesting the award over a 3-year period, the Company proposes to introduce Proposed SGP2021. As and when Proposed SGP2021 is implemented, the Company will have in place 2 share incentive schemes for its employees and executive directors, i.e. SGP2012 and SGP2021. When SGP2012 expires on 14 March 2022, SGP2021 will be the only scheme in operation. The Company shall not grant further awards under SGP2012 once SGP2021 comes into effect. In any event, the total number of Shares that can be granted under SGP2012 and SGP2021 shall not exceed 9% of the Company's total issued shares. As shown in Section 2.17 of this Circular, as at to-date, the total shares granted under SGP2012 represents approximately 0.94% of the Company's total issued shares, and outstanding number of the shares granted but not yet vested is approximately 1.049 million (representing approximately 0.28% of the Company's total issued shares).

To facilitate the implementation of Proposed SGP2021, the Company will establish a trust to be administered by the Trustee. The Trustee shall, at such times as the Committee shall direct, subscribe for and/or purchase the necessary number of F&N Shares to accommodate any transfer of F&N Shares to the Participants. For this purpose, the Trustee will be entitled from time to time to the extent permitted by law to accept funding and/or assistance, financial or otherwise from the Company, F&N Group and/or third parties.

The Trustee shall administer the Trust in accordance with the Trust Deed. The Company shall have the power to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The salient terms of the draft Trust Deed are set out in Appendix II of this Circular.

The salient terms of Proposed SGP2021 are set out below and the applicable draft Rules is attached in Appendix I of this Circular. The terms of SGP2012 are available in F&N's circular to shareholders dated 23 December 2011, a copy of which is available on <https://www.bursamalaysia.com/>.

2.1 Eligibility of the Participants

Any Group Employee, who meets the following criteria as at the Award Date will be eligible for consideration and selection as a Participant by the Committee:

- (i) if the Group Employee has attained the age of 21 years and is not an undischarged bankrupt;
- (ii) if the Group Employee's employment has been confirmed in writing after having served 12 months of service prior to the Award Date and not under probationary period;
- (iii) if the Group Employee is a person connected with the Director, chief executive officer or major shareholder of the Company, the specific allocation of the Awards to the Group Employee in the capacity as a person connected with the Director, chief executive officer or major shareholder of the Company under SGP2021 has been approved by the shareholders of the Company at a general meeting;
- (iv) if the Group Employee is serving in a specific designation under an employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the Committee;

- (v) if the Group Employee is not participating or entitled to participate in any other employee incentive scheme implemented by other corporation. However, notwithstanding the Group Employee's participation in any other employee incentive scheme, the Group Employee may be eligible if the Committee so determines; and/or
- (vi) if the Group Employee fulfils any other criteria and/or falls within such category as may be set by the Committee from time to time.

Notwithstanding the above, the Committee may from time to time, at its sole discretion select and identify suitable Selected Persons to be offered the Awards.

Eligibility for consideration under SGP2021 does not confer any Group Employee with any rights whatsoever under or to participate in SGP2021.

The selection of any Group Employee for participation in SGP2021 will be made by the Committee whose decision will be final and binding.

For clarification, non-executive directors will not be eligible to participate in SGP2021.

2.2 Grant of Awards

The Committee may grant the Awards to eligible Group Employees as the Committee may select, in its absolute discretion, at any time during the period when SGP2021 is in force.

Subject to any adjustments which may be made under the Rules, the aggregate maximum number of Awards that may be granted to a Selected Person will be determined entirely at the absolute discretion of the Committee ("**Maximum Allowable Allocation**"), which shall take into account such criteria as it considers fit, including (but not limited to) the Selected Person's rank, job performance, years of service and potential for future development, the Selected Person's contribution to the success and development of the Group and (in the case of a Performance-related Award) the difficulty with which the Performance Condition may be achieved within the Performance Period. The aggregate number of Shares that may be allocated to any one category/ designation of Group Employee shall be subject to the following:

- (i) not more than 60% of the new Shares available under SGP2021 shall be allocated in aggregate, to Group Executive Directors and Senior Management of the Group; and
- (ii) the allocation to a Group Employee who, either singly or collectively through persons connected with the Group Employee, holds 20% or more of the issued and paid-up capital (excluding treasury shares) of the Company, does not exceed 10% of the total number of Shares to be issued and awarded under SGP2021 or any other share option or share grant schemes implemented or to be implemented by the Company.

The Committee shall also decide in relation to an Award, amongst others, the Participant, the Award Date, the number of Shares, in the case of performance-related Award (i) Performance Condition(s); (ii) the Performance Period; and (iii) the extent to which the Shares shall be released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; the Vesting Period(s), the Vesting Date, the Release Schedule and the Retention Period; and any other condition which the Committee may determine in relation to that Award.

The Participants are not required to pay for granting of the Awards.

2.3 Size of the SGP2021

Under SGP2021, the total number of Shares which may be delivered pursuant to the Awards granted under SGP2021 shall not exceed 8% of the total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant Award.

A sub-limit of 0.8% of total number of issued Shares (excluding treasury shares) per annum shall be applicable to SGP2021 only during the SGP Period.

For avoidance of doubt, the total number of Shares which may be delivered pursuant to Awards granted under SGP2012 and SGP2021 shall not exceed 9% of the Company's total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant Award.

2.4 Duration of Proposed SGP2021

SGP2021 shall continue to be in force for a period of 10 years commencing on the Adoption Date, or such longer period as may be allowed by the relevant authorities ("**SGP Period**"). On expiry of the SGP Period, any Awards which have yet to be Released or vest (whether fully or partially) shall be deemed cancelled and be null and void.

2.5 Termination of Proposed SGP2021

Notwithstanding anything set out in the Rules and subject always to compliance with the Listing Requirements and any other relevant rules or requirements, Proposed SGP2021 may be terminated at any time by the Committee during the SGP Period whereupon any Awards which have yet to be Released or Vested (whether fully or partially) shall be deemed cancelled and be null and void on the date specified in the notice of termination.

2.6 Review of Performance Condition

In relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition specified in respect of such Award and determine at its absolute discretion:

- (i) whether a Performance Condition has been satisfied and if so, the extent to which it has been satisfied;
- (ii) whether any other condition applicable to such Award has been satisfied; and
- (iii) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant.

The Committee shall have absolute discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to, among others, the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

If the Committee determines, in its absolute discretion, that the Performance Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

2.7 SGP Price

The SGP Price will be based on a discount (as determined by the Committee) of not more than 10% of the 5-day VWAMP of the Shares transacted on the Bursa Securities immediately preceding the Award Date (or such basis as the relevant authorities may permit).

2.8 Gross proceeds raised

No proceeds would be raised by F&N pursuant to the implementation of Proposed SGP2021.

2.9 Ranking of the Shares

The new Shares allotted and issued, and existing Shares procured by F&N, via the Trustee, for transfer, pursuant to the Release of any Award shall:

- (i) be subject to all the provisions of the Constitution of F&N; and

- (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are transferred to the CDS Account of the Participant, and shall in all other respects rank equally with other existing Shares then in issue.

2.10 Cash or otherwise Awards

The Committee may in its absolute discretion determine to make a Release of Award, wholly or partly, in the form of cash rather than Shares or treasury shares of the Company, which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate market value of such Share on such Vesting Date.

For information, the cash amount above shall be satisfied by using, amongst others, the Company's internally generated funds. Nevertheless, the Company has the discretion to instruct the Trustee to sell the Shares and apply the proceeds of sale to cash settle the Award.

In determining the various modes of settlement, the Committee will take into consideration factors such as the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company as well as the dilutive effects on the Company's capital base.

2.11 Moratorium

If a Retention Period is specified in an Award, the Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during such Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. F&N shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period otherwise than in accordance with the Award Letter or as approved by the Committee.

2.12 Alteration of capital

In the event of any alteration in the capital structure of the Company during the SGP Period, whether by way of rights issue, bonus issue or other capitalisation of profit or reserves, subdivision or consolidation of the Shares or reduction of capital or any other variation of capital being effected but excluding any cancellation of capital which is lost or unrepresented by available assets, the Committee shall, at their absolute discretion, determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company during the SGP Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company), adjustments in:

- (i) the SGP Price; and/or
- (ii) the number of Shares comprised in the Award,

will be made in order to prevent dilution or enlargement provided that no adjustments will be made in the event of any alteration in the capital structure of the Company in respect of which rights/benefits arising therefrom are accrued to the Shares pursuant to the Rules.

If the Committee (at their absolute discretion) decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of the Company and no adjustments will be made, the Committee will inform the Participants of this decision through an announcement to all the Directors and Group Employees to be made in such manner deemed appropriate by the Committee.

2.13 Modification to SGP 2021

Any or all of the provisions of SGP2021, may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (i) if such modification or alteration adversely affects the rights attached to any Awards granted to the Participants, then the Committee shall obtain a written consent from the affected Participants. Such written consent must not less than three-quarters in number of the total Shares that may be Vested to the affected Participants;
- (ii) any modification or alteration which would increase the number of Shares beyond the size of SGP2021 or provide an advantage to any Participant or group of Participants or all the Participants must be approved beforehand by the Company's shareholders in general meeting; and
- (iii) all modifications or alterations shall be in compliance with the relevant rules and regulations in force at the relevant time and shall be subject to the approvals of any authorities (if required).

For the purpose of (i) above, the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive.

The Committee may at any time by a resolution (and without other formality, save for the prior approval of any relevant authorities) amend or alter SGP2021 in any way to the extent necessary or desirable, in the opinion of the Committee, to cause SGP2021 to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including Bursa Securities).

2.14 Implementation of SGP2021 and Trust

In implementing SGP2021, the Committee may in its absolute discretion and subject to compliance with the provisions of the Act and the Listing Requirements, decide that the Awards shall be satisfied by way of:

- (i) issuance of new Shares;
- (ii) acquisition of existing Shares from the open market;
- (iii) transferring Shares held in treasury;
- (iv) payment of cash; or
- (v) a combination of any of the above.

The Board and/or the Committee will establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time, subject to the provisions set out in the Trust Deed, for purposes of subscribing for new Shares or acquiring existing Shares from the market or dealing with existing Shares acquired from the market and transferring them to the Participants at such time as the Committee may direct. To enable the Trustee to subscribe for new Shares and/or purchase existing Shares from the market for purposes of implementing SGP2021 and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and its subsidiaries.

For purposes of administering the Trust, the Trustee shall 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 Trust as the Committee may in its discretion direct for the implementation and administration of the Trust.

2.15 Costs and expenses of SGP2021

F&N will bear all fees, costs and expenses incurred in relation to SGP2021 including but not limited to the costs and expenses (including stamp duty, if any) relating to the issue, allotment and/or transfer of the Shares pursuant to SGP2021 or Vesting of the Shares.

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to the Rules or relating to Vesting of Shares and any holding or dealing of such Shares (such as, but not limited to brokerage commissions and stamp duty) will be borne by that Participant and F&N will not be liable for any of such costs, fees, levies, charges and/or taxes.

2.16 Listing of and Quotation for the new Shares issued pursuant to Proposed SGP2021

Bursa Securities had, vide its letter dated 16 November 2020, approved the listing of up to 8% of the total number of issued Shares (net of treasury shares, if any) to be issued pursuant to Proposed SGP2021 on the Main Market of Bursa Securities.

2.17 Information on SGP2012

As at LPD, F&N had granted a total of 3,453,060 Shares under SGP2012 to the eligible directors and employees of the F&N Group since the implementation of SGP2012, of which 2,229,100 Shares under SGP2012 had been vested whilst 192,610 Shares under SGP2012 had lapsed/forfeited/cancelled resulting in 1,031,350 outstanding Shares under SGP2012.

The details of Shares under SGP2012 as at LPD are as follows:-

Category of Employees	From 15 March 2012 up to LPD				
	Shares under SGP2012				
	Proportion Granted to Senior Management and Other Employees (%)	Total Number Granted ('000)	Total Number Vested ('000)	Total Number Lapsed/ Forfeited/ Cancelled ('000)	Total Number Outstanding ('000)
Senior management	9.2	318.3	207.0	9.2	102.2
Other employees	90.8	3,134.8	2,022.1	183.4	929.2
Total	100.0	3,453.1	2,229.1	192.6	1,031.4
Percentage over the total number of issued and paid-up capital of F&N as at LPD (%)		0.94	0.61	0.05	0.28

In accordance with the existing rules governing the SGP2012:-

- (i) not more than 60% (or such percentage as allowable by the relevant authorities) of the new Shares available under SGP2012 shall be allocated, in aggregate, to directors and senior management of the Group; and
- (ii) not more than 10% (or such percentage as allowable by the relevant authorities) of the new Shares available under SGP2012 shall be allocated to any eligible directors and employees of the Group who, either singly or collectively through persons connected holds 20% or more of the issued and paid-up capital of F&N.

3. RATIONALE FOR PROPOSED SGP2021

Proposed SGP2021 is a share incentive scheme to retain selected employees of the Group and selected executive directors of F&N whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding selected employees of the Group and selected executive directors of F&N who have contributed to the growth of the Group. The Awards will give the Participants an opportunity to have a personal equity interest in F&N and will help to achieve the following positive objectives:-

- (i) to align the interests of the Participants with the interests of the shareholders of the Company;
- (ii) to retain key employees and executive directors whose contributions are essential to the long-term growth and profitability of the Group;
- (iii) to instil loyalty and a stronger identification by the Participants with the long-term prosperity of the Group;
- (iv) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and
- (v) to motivate each Participant to optimise the Participant's performance standards and efficiency and to maintain a high level of contributions to the Group.

4. EFFECTS OF PROPOSED SGP2021

The effects of Proposed SGP2021 on F&N and the Group are as follows:-

4.1 Issued share capital

Proposed SGP2021 will not have an immediate effect on the existing issued and paid-up capital of F&N. Any potential impact on the issued and paid-up share capital of F&N in the future would depend on the number of new Shares issued and allotted and/or the existing Shares purchased to satisfy the vesting of Awards granted.

If F&N cash settles the Award, there will be no effect on F&N's issued and paid-up share capital.

For illustrative purposes only, in the event the proposed maximum 8% of F&N's issued shares under SGP2021 are granted and vested via issuance of new Shares, the effect on F&N's issued and paid-up capital will be as follows:-

	No. of Shares (‘000)	RM’000
Issued and paid-up capital as at LPD	366,779	816,770
Number of Shares to be issued pursuant to 8% of issued share capital under SGP2021	29,342	(i) 852,092
Enlarged issued and paid-up capital	396,121	1,668,862

Note:-

- (i) Assuming the issue price of Shares to be issued pursuant to Proposed SGP2021 is RM29.04 per Share, representing a discount of approximately 10% to the 5-day VWAMP of F&N Shares up to and including LPD of RM32.26 per Share.

4.2 Substantial shareholders' shareholdings

The impact of Proposed SGP2021 on the substantial shareholders' shareholdings of F&N is dependent on the number of new Shares issued and allotted to satisfy the Vesting of Awards granted.

As and when new Shares are issued to satisfy the Vesting of Awards granted, the substantial shareholders' shareholdings will be diluted accordingly.

If existing Shares are purchased to satisfy the vesting of Awards granted or F&N cash-settles the Award, there will be no effect on the shareholdings of F&N's substantial shareholders.

4.3 NA, NA per Share and gearing

Save for estimated expenses to be incurred in relation to Proposed SGP2021, Proposed SGP2021 will not have any immediate effect on the consolidated NA, NA per F&N Share and gearing of the Company until such time as and when the Awards are accepted by the eligible Group Employee.

The effect on the consolidated NA and gearing of the Group is dependent on, amongst others, the mode of settlement of the Awards and the number of new F&N Shares issued to satisfy the vesting of Awards granted.

4.4 Earnings and EPS

Proposed SGP2021 is not expected to have any immediate material effect on the earnings of F&N Group until such time when the Awards are granted. In accordance with Malaysian Financial Reporting Standard 2 "Share-Based Payment" issued by the Malaysian Accounting Standards Board, Proposed SGP2021 will result in a charge to the earnings of the Group on the grant date over the period from the grant date to the vesting date of the Awards, as the case may be.

However, the potential effect of Proposed SGP2021 on the earnings and EPS of the Group cannot be determined at this juncture as it would depend on, amongst others, the number of Awards granted and vested and various factors that affect the fair value of the Awards at the relevant point in time.

The Board will take proactive measures to manage the effect on the earnings and EPS of the Group in granting of Awards.

The estimated expenses of RM0.5 million pursuant to the establishment of Proposed SGP2021 will be funded by internally generated funds of the Group.

4.5 Convertible securities

As at LPD, F&N does not have any other convertible securities.

As at LPD, F&N has in place SGP2012 which is due to expire on 14 March 2022.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of F&N Share as traded on the Main Market of Bursa Securities for the past 12 months from December 2019 to November 2020 are as follows:

	<u>High</u> <u>(RM)</u>	<u>Low</u> <u>(RM)</u>
2019		
December	34.84	33.20
2020		
January	34.84	31.78
February	34.40	29.30
March	32.00	24.12
April	32.32	30.02
May	32.60	31.18
June	32.62	31.52
July	32.80	31.40
August	33.00	30.52
September	33.00	30.80
October	33.38	30.32
November	32.50	30.78

RM

The last transacted market price of F&N Share on 3 November 2020 (*being the last market day immediately prior to the announcement of Proposed SGP2021*)

31.02

The last transacted market price of F&N Share as at LPD

32.46

(Source: Bloomberg)

6. APPROVALS REQUIRED

Proposed SGP2021 is conditional upon the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to Proposed SGP2021.

Bursa Securities had vide its letter dated 16 November 2020 approved the listing of up to 8% of the total issued share capital of F&N at any point in time during the tenure of SGP2021 to be issued pursuant to Proposed SGP2021, subject to the following conditions:-

Conditions	Status of compliance
(a) AmInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed SGP2021 pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed SGP2021;	To be complied
(b) F&N is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed SGP2021 as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied

Conditions	Status of compliance
(c) F&N to ensure compliance of paragraphs 6.38 and 8.19 of the Listing Requirements.	To be complied

- (ii) shareholders of F&N at a general meeting to be convened; and
- (iii) any other relevant authorities (where applicable).

Proposed SGP2021 is not conditional upon any other corporate exercise/scheme whether announced or not by F&N.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the directors and/or major shareholders of F&N and/or persons connected to them, has any interest, direct or indirect, in Proposed SGP2021.

8. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of Proposed SGP2021 (including but not limited to the rationale and the financial effects of Proposed SGP2021), is of the opinion that Proposed SGP2021 is in the best interest of F&N. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to Proposed SGP2021 to be tabled at the forthcoming EGM.

9. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for Proposed SGP2021, the F&N Group does not have any other corporate exercise which has been announced to Bursa Securities but has yet to be completed prior to the issuance of this Circular.

10. ESTIMATED TIMEFRAME FOR THE COMPLETION OF PROPOSED SGP2021

Barring any unforeseen circumstances, the Board expects to implement Proposed SGP2021 by the end of 2nd quarter of 2021.

11. EGM

The EGM, the notice of which is enclosed in this Circular, to be held on a fully virtual basis through live streaming and online remote voting on Tuesday, 19 January 2021 at 11.00 a.m. or 15 minutes after the conclusion or adjournment of the Company's 59th AGM to be held on a fully virtual basis on the same day at 10.00 a.m., whichever is later or any adjournment thereof, for the purposes of considering and if thought fit, passing the resolution to give effect to Proposed SGP2021. Please refer to the Administrative Details for the EGM for the procedures to register, participate and vote remotely using the Remote Participation and Electronic Voting facilities which will be made available on the online portal of Boardroom Share Registrars Sdn Bhd ("**Boardroom**") at <https://web.lumiagm.com>.

If you are unable to attend and vote remotely at the EGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible in any event so as to arrive at the Poll Administrator's office, Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than 48 hours before the time fixed for holding the EGM or at any adjournment thereof. You may deposit your Form of Proxy at the Poll Administrator's office or website at <https://boardroomlimited.my> ("**eProxy Lodgement**"). Please refer to the Administrative Details for the EGM for the steps on the eProxy Lodgement. The lodging of the Form of Proxy will not preclude you from attending and voting at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of
FRASER & NEAVE HOLDINGS BHD

TENGKU SYED BADARUDIN JAMALULLAIL
Non-Independent Non-Executive Chairman

FRASER & NEAVE HOLDINGS BHD
Share Grant Plan 2021

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RULES OF THE SHARE GRANT PLAN 2021**1. INTRODUCTION**

SGP2021 shall be implemented in accordance with the following Rules.

2. DEFINITIONS

2.1 In this SGP2021, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	: Companies Act 2016, as amended from time to time and any re-enactment thereof.
“Adoption Date”	: The date on which SGP2021 is adopted by the Company in accordance with Rule 16.
“Adviser”	: A corporate finance adviser that may act as a principal adviser under the Securities Commission’s Principal Adviser Guidelines.
“Associated Company”	: An “associate” defined under the accounting standards issued or adopted by the Malaysian Accounting Standards Board.
“Auditors”	: The auditors of the Company for the time being or, in the event of they being unable or unwilling to carry out any action requested of them pursuant to the provisions of these Rules, such other auditors as may be nominated by the Board for that purpose.
“Award”	: A contingent award of the Shares granted under Rule 5.
“Award Date”	: In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“Award Letter”	: A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“Board”	: The board of directors of the Company.
“Bursa Depository”	: Bursa Malaysia Depository Sdn. Bhd.
“Bursa Securities”	: Bursa Malaysia Securities Berhad.
“CDS Account”	: The account established by Bursa Depository for the recording of deposit and withdrawal of securities and for dealing in such securities by the depositor.
“Committee”	: A committee comprising directors of the Company appointed by the Board to administer SGP2021.
“Communication”	: An Award, including the Award Letter, and/or any correspondence made or to be made under SGP2021 (individually or collectively).

APPENDIX I – DRAFT RULES (CONT'D)

“Company”	:	Fraser & Neave Holdings Bhd, a company incorporated in Malaysia.
“Eligible Person”	:	Group Employee who fulfils the conditions of eligibility as stipulated in Rule 4.
“Group”	:	The Company and its Subsidiaries (excluding any companies which are dormant).
“Group Employee”	:	Any employee of the Group including any Group Executive Director.
“Group Executive Director”	:	A director of the Company who performs an executive function.
“Listing Requirements”	:	Listing Requirements of Bursa Securities for the Main Market of Bursa Securities.
“Market Day”	:	A day on which Bursa Securities is open for trading in securities.
“Market Value”	:	In relation to a Share, on any day: <ul style="list-style-type: none">(a) the volume-weighted average price of a Share on Bursa Securities over the 5 immediately preceding Market Days on which the Shares are transacted on Bursa Securities; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
“Participant”	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder).
“Performance-related Award”	:	An Award in relation to which a Performance Condition is specified.
“Performance Condition”	:	In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.
“Performance Period”	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
“Persons Connected”	:	Persons connected as defined in paragraph 1.01 of the Listing Requirements.
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.
“Release”	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of

APPENDIX I – DRAFT RULES (CONT'D)

	the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly and “Released” shall be construed accordingly.
“Release Schedule”	: In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares are the subject of that Award shall be Released.
“Released Award”	: An Award which has been Released in full or in part in accordance with Rule 7.
“Retention Period”	: In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
“RM”	: Ringgit Malaysia.
“Rules”	: The Rules of SGP2021.
“Securities Commission”	: Securities Commission of Malaysia.
“Selected Person”	: An Eligible Person to whom an Award has been made under SGP2021.
“Senior Management”	: Such employees as the Committee may in its sole discretion determine to be in the senior management of the Group.
“Share Grant”	: The rights granted to the Participants to have a number of Shares vested in the Participants on the Vesting Date specified in the Award, subject to the terms and conditions of these Rules and the Award.
“SGP2012”	: The Share Grant Plan that was implemented on 15 March 2012.
“SGP2021”	: The Company’s Share Grant Plan 2021 adopted or to be adopted by the Company, as may be modified or altered from time to time.
“SGP Period”	: The definition as ascribed under Rule 16.
“SGP Price”	: The reference price which is used to determine the number of Shares to be granted under the Award as stipulated in the Award Letter.
“Security Device”	: Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with SGP2021.
“Shares”	: Ordinary shares of the Company.
“Subsidiary(ies)”	: Subsidiary of the Company within the meaning of Section 4 of the Act and shall include such subsidiaries as at the Adoption Date and those subsequently acquired or incorporated at any time during the SGP Period.

APPENDIX I – DRAFT RULES (CONT'D)

- “Trust” : The trust established to facilitate the implementation of SGP2021.
- “Trust Deed” : The trust deed constituting the Trust.
- “Trustee” : The trustee for the time being appointed to be the trustee for SGP2021 pursuant to Rule 23.
- “Unvested Shares” : The Shares or any part thereof which have not been vested in the Participant by the relevant date.
- “Vesting” : In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
- “Vesting Date” : In relation to Shares which are the subject of a Released Award, each date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7.
- “Vesting Period” : In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
- “year” : Calendar year, unless otherwise stated.
- “%” : Per centum or percentage.
- 2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.3 Any reference to a time of a day in SGP2021 is a reference to Malaysian time.
- 2.4 Any reference in SGP2021 to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in SGP2021 and used in SGP2021 shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVE AND PURPOSE OF SGP2021

- 3.1 SGP2021 is a share incentive scheme. SGP2021 is proposed on the basis that it is important to retain selected employees of the Group and selected executive directors of the Company whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding selected employees of the Group and selected executive directors of the Company who have contributed to the growth of the Group. SGP2021 will give the Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:
- (a) to align the interests of the Participants with the interests of the shareholders of the Company;
 - (b) to retain key employees and executive directors whose contributions are essential to the long-term growth and profitability of the Group;

APPENDIX I – DRAFT RULES (CONT'D)

- (c) to instill loyalty and a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and
- (e) to motivate each Participant to optimise the Participant's performance standards and efficiency and to maintain a high level of contributions to the Group.

4. ELIGIBILITY OF THE PARTICIPANTS

4.1 Any Group Employee, who meets the following criteria as at the Award Date will be eligible for consideration and selection as a Participant by the Committee:

- (a) if the Group Employee has attained the age of 21 years and is not an undischarged bankrupt;
- (b) if the Group Employee's employment has been confirmed in writing after having served 12 months of service prior to the Award Date and not under probationary period;
- (c) if the Group Employee is a person connected with the Director, chief executive officer or major shareholder of the Company, the specific allocation of the Awards to the Group Employee in the capacity as a person connected with the Director, chief executive officer or major shareholder of the Company under SGP2021 has been approved by the shareholders of the Company at a general meeting;
- (d) if the Group Employee is serving in a specific designation under an employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the Committee;
- (e) if the Group Employee is not participating or entitled to participate in any other employee share scheme or incentive scheme implemented by any other corporation which is in force for the time being provided that the Group Employee may be eligible for consideration notwithstanding the Group Employee's participation or entitlement to participate if the Committee so determines; and/or
- (f) if the Group Employee fulfils any other criteria and/or falls within such category as may be set by the Committee from time to time.

4.2 Notwithstanding Rule 4.1, the Committee may from time to time, at its sole discretion select and identify suitable Selected Persons to be offered the Awards.

4.3 Eligibility for consideration under SGP2021 does not confer any Group Employee with any rights whatsoever under or to participate in SGP2021.

4.4 The selection of any Group Employee for participation in SGP2021 will be made by the Committee whose decision will be final and binding.

4.5 For clarification, non-executive directors will not be eligible to participate in SGP2021.

5. GRANT OF AWARDS AND SGP PRICE**GRANT OF AWARDS**

5.1 The Committee may grant the Awards to eligible the Group Employees as the Committee may select, in its absolute discretion, at any time during the period when SGP2021 is in force.

APPENDIX I – DRAFT RULES (CONT'D)

- 5.2 Subject to any adjustments which may be made under Rule 9, the aggregate maximum number of Awards that may be granted to a Selected Person will be determined entirely at the absolute discretion of the Committee ("**Maximum Allowable Allocation**"), which shall take into account such criteria as it considers fit, including (but not limited to) the Selected Person's rank, job performance, years of service and potential for future development, the Selected Person's contribution to the success and development of the Group and (in the case of a Performance-related Award) the difficulty with which the Performance Condition may be achieved within the Performance Period. The aggregate number of Shares that may be allocated to any one category/ designation of Group Employee shall be subject to the following:
- (a) not more than 60% of the new Shares available under SGP2021 shall be allocated in aggregate, to Group Executive Directors and Senior Management of the Group; and
 - (b) the allocation to a Group Employee who, either singly or collectively through Persons Connected with the Group Employee, holds 20% or more of the issued and paid-up capital (excluding treasury shares) of the Company, does not exceed 10% of the total number of Shares to be issued and awarded under SGP2021 or any other share option or share grant schemes implemented or to be implemented by the Company.
- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the number of Shares;
 - (d) in the case of a Performance-related Award:
 - (i) the Performance Condition;
 - (ii) the Performance Period; and
 - (iii) the extent to which the Shares shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - (e) the Vesting Period, if any;
 - (f) the Vesting Date, if any;
 - (g) the Release Schedule, if any;
 - (h) the Retention Period, if any; and
 - (i) any other condition which the Committee may determine in relation to that Award.
- 5.4 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the number of Shares which are the subject of the Award;
 - (c) in the case of a Performance-related Award:
 - (i) the Performance Condition;
 - (ii) the Performance Period; and

APPENDIX I – DRAFT RULES (CONT'D)

- (iii) the extent to which the Shares shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - (d) the Vesting Period, if any;
 - (e) the Vesting Date, if any;
 - (f) the Release Schedule, if any;
 - (g) the Retention Period, if any; and
 - (h) any other condition which the Committee may determine in relation to that Award.
- 5.5 The Participants are not required to pay for granting of the Awards.
- 5.6 Subject to the Listing Requirements, the Committee may have its absolute discretion to amend or waive the Vesting Period, the Vesting Date, the Release Schedule, the Retention Period and any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition and/or the extent to which the Shares shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of the Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which the Participant would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.
- 5.8 In the event that a Participant is promoted, such promoted Participant may be eligible for consideration for additional Awards to be decided by the Committee at its absolute discretion subject to the following:
 - (a) that the additional Award will be from the balance of the Shares available under SGP2021; or
 - (b) the Committee has the absolute discretion not to make further additional Awards in the event that the balance of the Shares available is inadequate to make a meaningful additional allotment.
- 5.9 In the event that the Participant who is demoted to a lower grade for whatsoever reason will only be entitled to the allocation of that lower grade unless an Award has been made and accepted by the Participant before such demotion and where the Participant has accepted an Award which exceeds the Participant's Maximum Allowable Allotment under that lower grade, the Participant will not be entitled to any further allocation for that lower grade.
- 5.10 In the event of any error in the Award, the Committee may issue a supplemental Award stating the correct particulars of the Award.

SGP PRICE

- 5.11 The SGP Price will be based on a discount (as determined by the Committee) of not more than 10% of the 5-day volume weighted average market price of the Shares transacted on the Bursa Securities immediately preceding the Award Date (or such basis as the relevant authorities may permit).

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event that an order is made for the winding-up of the Company on the basis, or by reason of its insolvency;
- (b) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion; or
- (c) subject to Rule 6.2(b), in the event that the Participant ceases at any time to be in the employment of the Group for any reason whatsoever.

For the purposes of Rule 6.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to the Participant, unless such notice is withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of a Participant (excluding the Participant's executor and personal representative) or the happening of any other event which results in the Participant being deprived of the legal or beneficial ownership of the Award;
- (b) where the Participant ceases at any time to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy, retrenchment or voluntary separation scheme;
 - (iii) retirement on attaining the legal retirement age under the Group's retirement policy;
 - (iv) retirement/ termination before attaining the legal retirement age by reason of ill-health, injury, physical or mental disability;
 - (v) the company by which the Participant is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (vi) termination or non-renewal of contract of service;
 - (vii) the Participant being transferred or seconded to an Associated Company or a company which is outside the Group; or
 - (viii) any other circumstances which are acceptable to the Committee in its sole discretion;
- (c) the death of a Participant;
- (d) service of a notice to resign by a Participant; or
- (e) any other event approved by the Committee,

the Committee may in its absolute discretion determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved.

If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period (if any), subject to the provisions of SGP2021.

In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.6, if before a Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;
- (c) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (d) an order being made or a resolution passed for the winding up of the Company (other than as provided in Rule 6.1(a) or for amalgamation or reconstruction),

the Committee will consider, at its absolute discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the Vesting Period which has elapsed and, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. REVIEW OF PERFORMANCE CONDITION, VESTING OF AWARDS, RELEASE OF AWARDS AND CASH AWARDS

7.1 Review of Performance Condition in relation to Performance-related Awards

7.1.1 In relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition specified in respect of such Award and determine at its absolute discretion:

- (a) whether a Performance Condition has been satisfied and if so, the extent to which it has been satisfied;
- (b) whether any other condition applicable to such Award has been satisfied; and
- (c) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant.

7.1.2 The Committee shall have absolute discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to, among others, the audited results of the Company or the Group, as the case may be, to take into account such

factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

If the Committee determines, in its absolute discretion, that the Performance Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

7.1.3 In relation to a Performance-related Award which is not subject to any Vesting Period, the Committee shall, subject to Rules 6, 7.1.1 and 7.1.2 and provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period, Release to that Participant the number of Shares determined by the Committee under Rule 7.1.1(c) on the Vesting Date relating thereto. Such part of an Award not Released shall lapse and be of no value.

7.1.4 In relation to a Performance-related Award which is subject to a Vesting Period or Vesting Periods, the provisions of Rule 7.2 shall apply to the Release of Shares in respect of such Award.

7.2 Vesting Period

In relation to an Award which is subject to a Vesting Period or Vesting Periods, the Committee shall, subject to Rules 6, 7.1.1 (where applicable) and 7.1.2 (where applicable) and provided that the relevant Participant has continued to be a Group Employee from the Award Date up to the end of the Performance Period and thereafter at the end of each Vesting Period and, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, Release to the relevant Participant the relevant number of Shares in accordance with the Release Schedule specified in respect of that Award on the relevant Vesting Date.

7.3 Delivery of Shares

In respect of the Shares which are Released to a Participant pursuant to Rule 7.1 or Rule 7.2, the Committee shall procure the following, on or before the relevant Vesting Date but not later than 8 Market Days after the relevant Vesting Date, as the case may be (or such period as may be prescribed or allowed by Bursa Securities):

- (a) credit the relevant number of Shares into the Participant's CDS Account as arranged by the Company;
- (b) despatch a notice of transfer of such Shares to the Participant; and
- (c) make an application for the listing of and quotation for such relevant number of Shares (where applicable).

7.4 Ranking of Shares

The new Shares allotted and issued, and the existing Shares procured by the Company, via the Trustee, for transfer, pursuant to the Release of any Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date on which the Shares are transferred to the CDS Account of the Participant, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.5 Cash or Otherwise Awards

The Committee may in its absolute discretion determine to make a Release of Award, wholly or partly, in the form of cash rather than Shares or treasury shares of the Company, which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Share on such Vesting Date.

7.6 Moratorium

If a Retention Period is specified in an Award, the Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during such Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period otherwise than in accordance with the Award Letter or as approved by the Committee.

8. LIMITATION ON THE SIZE OF SGP2021

- 8.1 Under SGP2021, the total number of Shares which may be delivered pursuant to the Awards granted under SGP2021 shall not exceed 8% of the total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant Award.
- 8.2 For avoidance of doubt and pursuant to Rule 8.1, the total number of Shares which may be delivered pursuant to Awards granted under SGP2012 and SGP2021 shall not exceed 9% of the total number of issued shares (excluding treasury shares) ("**Maximum Shares**") on the date preceding the date of the relevant Award ("**Plan Size**").
- 8.3 Pursuant to Rules 8.1 and 8.2, a sub-limit of 0.8% of total number of issued Shares (excluding treasury shares) per annum shall be applicable to SGP2021 only during the SGP Period.
- 8.4 Subject to Rule 9.4 and the Committee's absolute discretion, in the event that the Company purchases or cancels its own Shares in accordance with the provisions of Section 127 of the Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up share capital, the following provisions shall apply in respect of future Awards but all the Shares granted pursuant to SGP2021 prior to such purchases and/or the reduction/ adjustment of the issued and paid-up share capital of the Company shall remain valid in accordance with the provisions of SGP2021 as if that reduction/ adjustment had not occurred:
- (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares in respect of the Awards granted by the Company pursuant to SGP2021 as at the date of purchase, cancellation or reduction of Shares is greater than the Plan Size, no further Awards shall be made by the Committee until such aggregate number of Shares in respect of the Awards granted falls below the Plan Size; or
 - (b) if, after such purchase, cancellation or reduction, the aggregate number of Shares in respect of Awards granted by the Company pursuant to SGP2021 as at the date of purchase, cancellation or reduction of Shares is less than the Plan Size, the Committee may make further Awards but only until such aggregate number of Shares in respect of the Awards granted pursuant to SGP2021 is equivalent to the Plan Size after such purchase, cancellation or reduction.
- 8.5 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under SGP2021.

9. ALTERATION OF CAPITAL

9.1 In the event of any alteration in the capital structure of the Company during the SGP Period, whether by way of rights issue, bonus issue or other capitalisation of profit or reserves, subdivision or consolidation of the Shares or reduction of capital or any other variation of capital being effected but excluding any cancellation of capital which is lost or unrepresented by available assets, the Committee shall at their absolute discretion, determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company during the SGP Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company), adjustments in:

- (a) the SGP Price; and/or
- (b) the number of Shares comprised in the Award,

will be made in order to prevent dilution or enlargement provided that no adjustments will be made in the event of any alteration in the capital structure of the Company in respect of which rights/ benefits arising therefrom are accrued to the Shares pursuant to Rule 13.

9.2 If the Committee (at their absolute discretion) decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of the Company and no adjustments will be made, the Committee will inform the Participants of this decision through an announcement to all the Directors and Group Employees to be made in such manner deemed appropriate by the Committee.

9.3 Subject to the Committee's absolute discretion, the provisions of Rules 9.1 and 9.2 will not apply where a change in the capital structure of the Company arises from:

- (a) the issue of the Shares or other securities convertible into the Shares or right to acquire or subscribe for the Shares in consideration or part consideration for any acquisition by the Group;
- (b) a special issue, restricted issue or private placement of the Shares;
- (c) a share buy-back arrangement by the Company, reduction and the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Act;
- (d) an issue of the Shares arising from the exercise of any conversion rights attached to securities convertible to the Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by the Company;
- (e) a special issue of new Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation; and
- (f) an issue of further Awards pursuant to SGP2021 and the allotment and issuance of the Shares for the purpose of satisfying SGP2021.

APPENDIX I – DRAFT RULES (CONT'D)

9.4 Subject to the Committee's absolute discretion, any adjustment pursuant to this Rule 9 will be made in accordance with the formulae as set out below on the Market Day immediately following the books closure date for the event giving rise to the adjustment:

- (a) If and whenever a consolidation or subdivision or conversion of the Shares occurs, then the SGP Price will be adjusted and the additional number of Shares comprised in the Awards will be calculated in accordance with the following formula:

$$\begin{aligned} \text{New SGP Price} &= S \times \left[\frac{U}{V} \right] \\ \text{Adjustment on number of Awards unexercised} &= T \times \left[\frac{V}{U} \right] \end{aligned}$$

where

- S = existing SGP Price;
- T = existing number of Shares comprised in the Awards that remains unexercised;
- U = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and
- V = aggregate number of Shares in the share capital of the Company after such consolidation, subdivision or conversion.

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

- (b) If and whenever the Company makes any issue of the Shares to its ordinary shareholders of the Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves, the SGP Price will be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the Award will be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{A+B}{A} \right] - T$$

where

- A = the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of the Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature

APPENDIX I – DRAFT RULES (CONT'D)

and including any share premium account and capital redemption reserve fund); and

T = as T above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

(c) If and whenever the Company makes:

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

then and in respect of each such case, the SGP Price will be adjusted by multiplying it by the following fraction:

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

and in respect of the case referred to in Rules 9.4(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Award will be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{C}{C-D^*} \right] - T$$

where

C = the Current Market Price (as defined in Rule 9.4(h) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement or when at the time of such announcement, the offer price for the rights has not been fixed) immediately preceding the date of the announcement of the Record Date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for the Shares by way of rights under Rule 9.4(c)(ii) above or for securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares under Rule 9.4(c)(iii) above, the value of rights attributable to 1 Share (as defined below); or

(bb) in the case of any other transaction falling within Rule 9.4(c) hereof, the fair market value, as determined by an auditor of the Company, of that portion of the Capital Distribution attributable to 1 Share.

For the purpose of definition (aa) of D above, the “value of the rights attributable to 1 Share” will be calculated in accordance with the formula:

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

where

C = as C above;

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

F = the number of the Shares necessary for the shareholder to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into rights to acquire or subscribe for 1 additional Share; and

D* = the value of rights attributable to 1 Share (as defined below); and For the purpose of definition D* above, the “value of rights attributable to 1 Share” will be calculated in accordance with the formula:

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

where

C = as C above;

E* = the subscription price for 1 additional Share under the terms of such offer or invitation to acquire or subscribe for the Shares; and

F* = the number of the Shares necessary for a shareholder to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of Rule 9.4(c) hereof, “Capital Distribution” will (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of the Shares (not falling under Rule 9.4(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves.

Any dividend charged or provided for in the accounts of any period will (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 ordinary shareholders of the Company as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Rule 9.4 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Rule 9.4(c)(ii) or (c)(iii) above and the Record Date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the SGP price will be adjusted by multiplying it by the following fraction:

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

APPENDIX I – DRAFT RULES (CONT'D)

and where the Company makes an allotment to its ordinary shareholders as provided in Rule 9.4(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Rule 9.4(c)(ii) above and the Record Date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares comprised in the Award will be calculated as follows:

Additional number of SGP2021 to be vested

$$= T \times \left[\frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right] - T$$

where

B = as B above;

C = as C above;

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

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

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

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

I* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in Rule 9.4(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for the Shares as provided in Rule 9.4(c)(iii) above, the SGP Price will be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the Awards will be calculated as follows:

Additional number of SGP2021 to be vested

$$= T \times \left[\frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

where

APPENDIX I – DRAFT RULES (CONT'D)

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

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Rule 9.4(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in Rule 9.4(c)(ii) above, together with rights to acquire or subscribe for securities convertible into the Shares or with rights to acquire or subscribe for Shares as provided in Rule 9.5(c)(iii) above, and the Record Date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the SGP Price will be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the Award will be calculated as follows:

Additional number of SGP2021 to be vested

$$= T \times \left[\frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

where

B	=	as B above;
C	=	as C above;
G	=	as G above;
H	=	as H above;
H*	=	as H* above;
I	=	as I above;

APPENDIX I – DRAFT RULES (CONT'D)

I*	=	as I* above;
J	=	as J above;
K	=	as K above; and
T	=	as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under Rules 9.4(c)(ii), (c)(iii), (d), (e) or (f) above), the Company will issue either any Shares or any securities convertible into the Shares or any rights to acquire or subscribe for the Shares, and in any such case, the Total Effective Consideration per the Share (as defined below) is less than 90% of the Average Price for 1 Share (as defined below) or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the SGP Price will be adjusted by multiplying it by the following fraction:

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

where

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

For the purpose of Rule 9.4(g), the “Total Effective Consideration” will be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

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

APPENDIX I – DRAFT RULES (CONT'D)

Consideration per the Share” will be the Total Effective Consideration divided by the number of the Shares issued as aforesaid or, in the case of securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares, by the maximum number of the Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of Rule 9.4(g), the Average Price of a Share will be the average price of 1 Share as derived from the last dealt prices for one or more board lots of the Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- (h) For the purpose of Rules 9.4(c), (d), (e) and (f), the “Current Market Price” in relation to 1 Share for any relevant day will be the volume weighted average market price for the 5 consecutive Market Days before such date.
- 9.5 If an event occurs that is not set out in Rule 9.4 or if the application of any of the formulae to an event results in a manifest error or in the opinion of the Committee is not appropriate, the Committee may at its absolute discretion agree to a new method of adjustment provided that the Participants will be notified of the adjustment through an announcement to all the Directors and Group Employees to be made in such manner deemed appropriate by the Committee.
- 9.6 In the event that a fraction of a Share arises from the adjustments pursuant to this Rule 9, the number of the Shares will automatically be rounded down to the nearest whole number.
- 9.7 The provisions of Rule 9 will also apply to a situation where the Vesting Period has not lapsed and the Award has not been accepted by the Participant or withdrawn by the Committee.

10. ADMINISTRATION OF SGP2021

- 10.1 SGP2021 shall be implemented and administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of the Company, provided that no member of the Committee and no Directors and Senior Management shall participate in any deliberation or decision in respect of the Awards granted or to be granted to himself/herself.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with SGP2021) for the implementation and administration of the SGP, to give effect to the provisions of SGP2021 and/or to enhance/reduce the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to SGP2021 and any dispute and uncertainty as to the interpretation of SGP2021 or any rule, regulation or procedure thereunder or any rights under SGP2021 shall be determined by the Committee.
- 10.3 Neither SGP2021 nor the Awards granted under SGP2021 shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
 - (a) the lapsing of any Awards pursuant to any provision of SGP2021;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under SGP2021; and/or

APPENDIX I – DRAFT RULES (CONT'D)

- (c) any decision or determination of the Committee made pursuant to any provision of SGP2021.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of SGP2021 (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to dispute as to the interpretation of the plan or any rule, regulation or procedure hereunder or as to any rights under SGP2021). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 11. NOTICES AND COMMUNICATIONS**
- 11.1 Any notice required to be given by the Participant to the Company shall be sent or made to the registered office of the Company or such other address (including an electronic mail address) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2 Any notice or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such persons as it may from time to time direct) on behalf of the Company and shall be delivered to a Participant by hand or sent to a Participant at the Participant's home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent electronic mail or facsimile transmission, on the day of despatch.
- 11.4 Any Communication under SGP2021 may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of a Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.
- 11.5 The Company may accept and act upon any Communication issue and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorized by the Participant or not) as the Participant's authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 11.6 All Communications issued and/or transmitted through the use of a Participant's Security Device pursuant to Rule 11.4 (whether authorized by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further references or notice to the Participant.
- 11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 11.8 A Participant shall ensure (and shall take all necessary precautions to ensure) that:
 - (a) the Participant complies with the Company's procedural and/or operational guidelines relating to Security Devices;

APPENDIX I – DRAFT RULES (CONT'D)

- (b) all Participant's Security Devices are kept completely confidential and secure; and
 - (c) there is no unauthorized use or abuse of the Participant's Security Devices.
- 11.9 A Participant shall notify and/or contact the Company immediately if the Participant becomes aware, has reason to believe, or suspects that any Security Devices has become compromised, including but not limited to where:
 - (a) the security or integrity of any Security Devices may have been compromised;
 - (b) such Security Devices has become known or been revealed to any other person;
 - (c) there has been authorised use of the Security Devices; and/or
 - (d) such Security Devices is lost, damaged, defective or stolen,

and the Participant shall immediately cease to use such compromised Security Devices until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Devices until such time as the Company has received a notification from the Participant under this Rule 11.9.
- 11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with SGP2021, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of the Participant's rights (if any) to so object.
- 11.11 Any provision in these Rules requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

12. MODIFICATION TO SGP2021

- 12.1 Any or all of the provisions of SGP2021, may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
 - (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Award were Released to them on the applicable Vesting Dates relating to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards on the relevant Vesting Date applicable to all such outstanding Awards;
 - (b) any modification or alteration which would increase the number of Shares beyond the size of SGP2021 in Rule 8 or provide an advantage to any Participant or group of Participants or all the Participants must be approved beforehand by the Company's shareholders in general meeting; and
 - (c) all modifications or alterations shall be in compliance with the relevant rules and regulations in force at the relevant time and shall be subject to the approvals of any authorities (if required).

APPENDIX I – DRAFT RULES (CONT'D)

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of SGP2021 to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without other formality, save for the prior approval of any relevant authorities) amend or alter SGP2021 in any way to the extent necessary or desirable, in the opinion of the Committee, to cause SGP2021 to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including Bursa Securities).

Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. RIGHTS ATTACHED TO THE SHARES

- 13.1 The Participant will not be entitled to any entitlement attached to the Shares in respect of which the entitlement date is prior to the date on which the Shares are allotted/credited into the CDS Account of the Participant.
- 13.2 The Shares will be subjected to all the provisions of the Constitution of the Company in relation to their transfer, transmission or otherwise.

14. TERMS OF EMPLOYMENT UNAFFECTED

This Rules does not form part of or will not in any way be construed as forming part of the terms and conditions of employment or contract of service of any of the Group Employee. This Rules will not confer or be construed to confer on any Group Executive Director and/or Group Employee any special rights or privileges over the Group Executive Director and/or Group Employees' terms and conditions of employment or contract of service in the Group or any rights in addition to compensation or damages that the Group Executive Director and/or Group Employee may be normally entitled to arising from the cessation of such employment or contract of service.

15. COMPENSATION

- 15.1 No Group Executive Directors, Group Employees or Participants who cease to hold office in or employment or under a contract of service with the Group will be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under SGP2021.
- 15.2 The Group or the Committee will not be liable for any compensation, loss or damages of any claim, action or proceeding by any Group Executive Director, Group Employee, Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to the vesting of the Shares, ceasing to be valid pursuant to the provisions of these Rules.

16. DURATION AND TERMINATION OF SGP2021

- 16.1 SGP2021 shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with ("**Adoption Date**"):
- (a) receipt of approval of Bursa Securities for the listing of and quotation for any new Shares to be issued pursuant to SGP2021 at any point in time during the existence of SGP2021;

APPENDIX I – DRAFT RULES (CONT'D)

- (b) approval of the shareholders of the Company in a general meeting;
- (c) the submission to Bursa Securities of the final copy of this Rules;
- (d) any other relevant regulatory authorities' approval, where applicable; and
- (e) fulfilment of all conditions attached to the above approvals (if any).

Thereafter, within 5 Market Days from the Adoption Date, the Company shall, through the Adviser, submit a confirmation to Bursa Securities of full compliance with the approvals and/or conditions abovementioned stating the Adoption Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving SGP2021.

- 16.2 SGP2021 shall continue to be in force for a period of 10 years commencing on the Adoption Date, or such longer period as may be allowed by the relevant authorities ("**SGP Period**"). On expiry of the SGP Period, any Awards which have yet to be Released or Vest (whether fully or partially) shall be deemed cancelled and be null and void.
- 16.3 Notwithstanding anything set out in these Rules and subject always to compliance with the Listing Requirements and any other relevant rules or requirements, SGP2021 may be terminated at any time by the Committee during the SGP Period whereupon any Awards which have yet to be Released or Vested (whether fully or partially) shall be deemed cancelled and be null and void on the date specified in the notice of termination.

17. COSTS AND EXPENSES OF SGP2021

- 17.1 The Company will bear all fees, costs and expenses incurred in relation to SGP2021 including but not limited to the costs and expenses (including stamp duty, if any) relating to the issue, allotment and/or transfer of the Shares pursuant to SGP2021 or vesting of the Shares.
- 17.2 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to Rule 17.1 or relating to Vesting of Shares and any holding or dealing of such Shares (such as, but not limited to brokerage commissions and stamp duty) will be borne by that Participant and the Company will not be liable for any of such costs, fees, levies, charges and/or taxes.

18. DISCLAIMER OF LIABILITY

- 18.1 Notwithstanding any provisions contained herein and subject to the Act, the Committee, the Trustee, the Company, the Board (including Directors of the Company who have resigned but were on the Board during the period of SGP2021) will not under any circumstances be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Participant howsoever arising in the event of, including but not limited to:
- (a) any delay on the part of the Company or the Committee in allotting and issuing new Shares and/or applying for or procuring the listing of the new Shares on Bursa Securities and/or transferring the Shares in accordance with these SGP2021 for any reason whatsoever; or
 - (b) any delay in crediting the new Shares into the CDS Account as stated in the notice of exercise given by the Participant.
- 18.2 The Participant will at all times indemnify and keep the Company indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by the Company at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform

and/or observe the terms and conditions and stipulations of these SGP2021 as from and including the Adoption Date or for any act or default under or for any breach of any provision of these SGP2021 by the Participant or that may be incurred suffered or sustained by the Company as a result thereof and the Participant will promptly upon a demand being made by the Company pay to the Company all amounts so paid incurred suffered or sustained by the Company.

19. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as SGP2021 continues in operation as from to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of Shares pursuant to SGP2021 is in compliance with the criteria for allocation disclosed by the Company to the Group Employee.

20. DISPUTES

Any disputes or differences of any arising hereunder shall be referred to the Committee whose decision shall be final and binding in all respects

21. GOVERNING LAW

SGP2021 shall be governed by, and construed in accordance with, the laws of Malaysia. The Participants, by accepting grants of Awards in accordance with SGP2021, and the Company irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

22. SEVERABILITY

If at any time any provision of these Rules is or becomes illegal, void or unenforceable in any respect, the same will be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability will not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

23. IMPLEMENTATION OF SGP2021 AND TRUST

23.1 In implementing SGP2021, the Committee may in its absolute discretion and subject to compliance with the provisions of the Act and the Listing Requirements, decide that the Awards shall be satisfied by way of:

- (a) issuance of new Shares;
- (b) acquisition of existing Shares from the open market;
- (c) transferring Shares held in treasury;
- (d) payment of cash; or
- (e) a combination of any of the above.

23.2 The Board and/or the Committee will establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time, subject to the provisions set out in the Trust Deed, for purposes of subscribing for new Shares or acquiring existing Shares from the market or dealing with existing Shares acquired from the market and transferring them to the Participants at such time as the Committee may direct. To enable the

APPENDIX I – DRAFT RULES (CONT'D)

Trustee to subscribe for new Shares and/or purchase existing Shares from the market for purposes of implementing SGP2021 and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and its Subsidiaries.

- 23.3 The Trustee shall exercise the voting rights attached to such Shares in such manner and extent as may be directed by the Committee in writing.
- 23.4 The Trustee shall administer the Trust in accordance with the Trust Deed. For purposes of administering the Trust, the Trustee shall 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 Trust as the Committee may in its discretion direct for the implementation and administration of the Trust.
- 23.5 The Company and/or Committee shall have the power from time to time, appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

[END OF RULES]

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED IN RELATION TO PROPOSED SGP2021

The following words and expression shall have the following meaning:

Rights	: Any rights or options (not being by way of a pro rata bonus issue of Shares or other securities) to acquire Shares or other securities issued or to be issued by the Company
Terms of Issue	: In respect of a Trust Share, the terms of issue of that Trust Share as determined by the Committee in accordance with the Rules
Trust	: The trust for SGP2021 established under the Trust Deed
Trust Asset	: The property, rights and income of the Trust including the Trust Shares, any moneys and property received by the Trustee for purposes of SGP2021 and all income, additions or accretions from such moneys and property
Trust Shares	: All Shares acquired pursuant to SGP2021 from time to time held or to be held by the Trustee on trust pursuant to this Deed

Unless the context of the Trust Deed otherwise provides, all definitions herein shall have the same meanings as provided for in the Rules.

1. The purpose of the Trust is to facilitate the implementation of SGP2021. The Trustee shall:
 - (i) hold the Trust Assets for the purposes of SGP2021, to be dealt with in accordance with the terms of the Trust Deed and the Rules; and
 - (ii) at the direction of the Committee, from time to time:
 - (a) subscribe for new Shares and/or acquire the Shares on the open market of Bursa Securities;
 - (b) hold the Shares subscribed for and/or acquired and transfer such number of Shares to the Participants;
 - (c) exercise such rights attached to the Trust Shares as per the instructions of the Committee; and
 - (d) receive treasury shares of the Company and transfer the Shares to the Participants,

in accordance with the Trust Deed.
2. Subject to the Trust Deed, the Trustee in its discretion has the full power to do all things a trustee is permitted to do by law in respect of the Trust and the Trust Assets including the following:
 - (i) to enter into and execute all contracts, deed and documents and do all acts, matters or things which are necessary for the purposes of giving effect to and carrying out the trusts, authorities, rights, powers and discretion conferred on the Trustee under the Trust Deed;
 - (ii) to subscribe for, purchase or otherwise acquire and hold the Trust Shares and transfer them to the Participants in accordance with the Trust Deed and to receive treasury shares of the Company and transfer the shares to the Participants;
 - (iii) to receive dividends, rights, allotment and/or other form of distributions that may be declared, made or paid on the Trust Shares and to apply those amounts in accordance with the Trust Deed;
 - (iv) to sell the Trust Shares upon instruction from the Committee and apply the proceeds of sale in accordance with the written instructions of the Committee;
 - (v) subject to the approval of the Committee, to sell or take up any Rights and apply the proceeds of sale or resulting Shares or other securities in accordance with the Trust Deed;

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED IN RELATION TO PROPOSED SGP2021 (CONT'D)

- (vi) subject to approval of the Committee, to delegate to any person or company the exercise of all or any of the rights, powers or discretions conferred on the Trustee under the Trust Deed and to execute any power of attorney or other instrument;
- (vii) to delegate to any director of the Trustee, or other person appointed by the Trustee, subject to prior written notice by the Trustee to the Company, the right and power on behalf of the Trustee to sign, draw, endorse or otherwise execute, as the case may be, all or any:
 - (a) cheques, drafts and other negotiable or transferable instruments;
 - (b) receipts for money paid to the Trustee; and
 - (c) other documents connected with the due administration of SGP2021 or with the Trust Deed;
- (viii) to employ or engage, and with the written consent of the Company, remove or suspend custodians, trustees, managers, employees or other agents and determine the power and duties to be delegated to them;
- (ix) subject to the prior consent of the Company, to take and act on the advice or opinion of any legal practitioner (whether in relation to the interpretation of the Trust Deed or any other document or statute or as to the administration of the Trust) or any other professional person, obtained by the Trustee, without being liable in respect of any act done by it in accordance with that advice or opinion;
- (x) to open and operate any bank or other accounts for the Trust as the Trustee thinks fit;
- (xi) to rely on any document provided by a Participant whether signed by them or otherwise;
- (xii) to make rules or to adopt procedures not inconsistent with the provisions of the Trust Deed with the agreement of the Company in relation to the calculation and rounding off of contributions, dividends, interest or other amounts, the determination of periods of time, and any other matters as are appropriate for the convenient administration of the Trust;
- (xiii) subject to the prior consent of the Company, to institute, conduct, defend, compound, settle or abandon any legal proceedings concerning the affairs of the Trust, and also to compound and allow time for payment or satisfaction of any debts due and any claim or demands by or against the Trustee concerning the Trust; and
- (xiv) to do all acts and things which the Trustee may consider necessary or expedient for the administration, maintenance and preservation of the Trust and the Trust Assets in accordance with the Trust Deed and in the performance of its obligations under the Trust Deed.

For purposes of Clauses 2(ix) and (xiii) of this Appendix II above, any appointment of advisers and/or legal practitioners by the Trustee and their costs, fees and expenses shall be approved in writing by the Company beforehand. The Company shall have the right to propose and appoint advisers and/or legal practitioners to act for the Trustee for such purposes.

3. Subject to the Trustee receiving sufficient payment or having sufficient capital in respect of which the Trustee has received a notice, by no later than such period as may be specified by the Committee in writing (or other period as the Committee and the Trustee agree) after the receipt of that notice, the Trustee must:
 - (i) purchase the requisite number of Shares from the open market of Bursa Securities;
 - (ii) if the Company agrees to issue Shares, subscribe for the requisite number of Shares; or
 - (iii) effect a combination of the acts in paragraphs (i) and (ii) as may be instructed by the Committee.

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED IN RELATION TO PROPOSED SGP2021 (CONT'D)

4. The subscription price for each of the Shares referred to in Clauses 3(ii) and 3(iii) of this Appendix II will be as determined by the Committee on the date on which the Shares are issued to the Trustee and the Shares subscribed shall be registered in the name of the authorised nominee (for the Trustee) on subscription and held on trust by the Trustee for purposes of SGP2021 until such time as the Committee may direct in writing to transfer such number of Trust Shares to such Participants at such time as shall be specified in the Committee's written directions.
5. The Company must provide the Trustee, or cause the provision to the Trustee of, any funds required by the Trustee in order to comply with its obligations under Clause 3 of this Appendix II. The Trustee must apply any funds received in satisfying its obligation under Clause 3 of this Appendix II.
6. The Company or any subsidiary shall pay to the Trustee any amount in respect of reasonable expenses, costs and charges incurred by the Trustee in the establishment or execution of the Trust or any of the powers, authorities or discretions vested in the Trustee.
7. Subject to the applicable Terms of Issue, a Participant shall not be entitled to receive from the Trustee all dividends and distributions paid by the Company on the Trust Shares until and unless the Shares are transferred to the CDS Account of the Participant. All dividends, rights, allotment and/or other forms of distributions paid by the Company on the Trust Shares before they are transferred to the CDS Account of the Participant shall form part of the Trust Assets and shall be dealt with by the Trustee in accordance with written instructions from the Committee.
8. The Trust will terminate and be wound up as provided by law or upon the first to occur of the following events:
 - (i) an order being made or an effective resolution being passed for the winding-up of the Company (other than for the purpose of amalgamation or reconstruction);
 - (ii) the termination or expiry of SGP2021; and / or
 - (iii) the Committee determining that the Trust is to be wound up.
9. Immediately upon termination or expiry of the Trust, the Trustee shall transfer to such Participants such number of Trust Shares as may be directed by the Committee in writing.
10. If there are any Trust Assets remaining in the Trust following the transfer of the Trust Shares to the Participants under Clause 9 of this Appendix II, those Trust Assets may be applied by the Trustee in any of the following manner as instructed by the Committee or the Company in writing:
 - (i) sell all remaining Trust Shares or securities at the then prevailing market price;
 - (ii) convert such other Trust Assets into money; or
 - (iii) transfer the remaining Trust Assets for the benefit of such persons as may be determined in writing by the Committee or returned to the Company as instructed by the Committee.

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate. The Board hereby confirms that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular, or other facts the omission of which would make any information herein false or misleading.

2. CONSENT AND CONFLICT OF INTEREST**2.1 AmlInvestment Bank**

AmlInvestment Bank, being the Principal Adviser for Proposed SGP2021, has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmlInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of Proposed SGP2021.

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

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

AmlInvestment Bank is of the view that its role as the Principal Adviser for Proposed SGP2021 is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:

- (i) AmlInvestment Bank’s role in Proposed SGP2021 is undertaken in the ordinary course of business; and
- (ii) AmlInvestment Bank undertakes each of its roles on an arm’s length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group’s Chinese Wall policy and internal controls and checks.

Premised on the above, AmlInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of Proposed SGP2021.

APPENDIX III – FURTHER INFORMATION (CONT'D)

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at LPD, save as disclosed below, the Board is not aware of any material commitments contracted or known to be contracted by the F&N Group, which upon becoming enforceable may have a material impact on the profit or NA of the F&N Group.

	<u>RM'000</u>
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>92,469</u>

3.2 Contingent liabilities

As at LPD, after making due enquiries, there are no material contingent liabilities incurred or known to be incurred by F&N Group, which upon becoming enforceable, may have a material impact on the results of the financial position of the F&N Group.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, F&N and its subsidiary companies are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company and the Group and after making due enquiries, there is no proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the F&N Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of F&N at Level 3A, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of F&N;
- (ii) the audited consolidated financial statements of F&N for FY 2018 and FY 2019, and the latest unaudited consolidated results of F&N for FY 2020;
- (iii) the letters of consent and conflict of interest referred to in Section 2 above;
- (iv) the draft Rules; and
- (v) the draft Trust Deed.