

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 advisers immediately.

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KPJ HEALTHCARE BERHAD
(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ALLOCATION OF MAXIMUM OF UP TO 3,000,000 OF EXISTING ORDINARY SHARES OF KPJ HEALTHCARE BERHAD (“KPJ” OR “COMPANY”) TO CHIN KEAT CHYUAN, THE PRESIDENT AND MANAGING DIRECTOR OF KPJ, UNDER THE LONG TERM INCENTIVE PLAN OF KPJ

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)

The Extraordinary General Meeting (“EGM”) of KPJ will be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Friday, 28 February 2025 at 3:00 p.m. or any adjournment thereof. The Notice of the EGM together with the Proxy Form are enclosed in this Circular and are available for download from our Company’s website at <https://kpj.listedcompany.com/egm.html>.

As a shareholder, you are entitled to appoint a proxy or proxies to participate and vote on your behalf at the EGM. If you wish to do so, kindly complete and deposit the Proxy Form at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Drop-in box at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively by electronic means via TIIH online website at <https://tiih.online> (kindly refer to the Administrative Guide for the EGM on the procedure for electronic submission of Proxy Form via TIIH Online), at least forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof.

IMPORTANT DATES

Last date and time for lodging the Proxy Form : Wednesday, 26 February 2025 at 3:00 p.m.

Date and time for the EGM : Friday, 28 February 2025 at 3:00 p.m.

This Circular is dated 6 February 2025

DEFINITIONS

In this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:

Act	:	Companies Act 2016 and any amendments made thereto from time to time
Board	:	Board of Directors of KPJ
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 635998-W)
By-Laws	:	By-laws governing the rules, terms and conditions governing the LTIP, a copy of which is appended in Appendix I of this Circular
Circular	:	This circular to the shareholders of KPJ in relation to the Proposed LTIP Allocations
Constitution	:	The constitution of KPJ, as may be amended from time to time
Director(s)	:	The Director(s) of KPJ
EGM	:	Extraordinary general meeting
Eligible Person(s)	:	Any Director or Employee of the Company or any company within the Group who meets the criteria of eligibility for participation in the Scheme as set out in By-Laws 4, a copy of which is appended in Appendix I of this Circular
Employee	:	A natural person who is employed by and on the payroll of the Company or any company within the Group
EPS	:	Earnings per share
Executive Director or Interested Director	:	A natural person who is or will be a Director in a full-time executive capacity who is involved in the day-to-day management. As at the LPD, the executive director of KPJ who is eligible to participate in the LTIP is Chin Keat Chyuan (<i>President and Managing Director</i>)
FYE	:	Financial year ended or ending, as the case may be
KAF IB or Principal Adviser	:	KAF Investment Bank Berhad (Registration No. 197401003530 (20657-W))
KPJ or Company	:	KPJ Healthcare Berhad (Registration No. 199201015575 (247079-M))
KPJ Group or Group	:	Collectively, KPJ and the subsidiaries, which are not dormant
KPJSB	:	Kumpulan Perubatan (Johor) Sdn Bhd (Registration No. 198801003611 (170968-A))
KPJ Share(s) or Share(s)	:	Ordinary share(s) of KPJ
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	15 January 2025 , being the latest practicable date prior to the printing of this Circular

DEFINITIONS

LTIP	:	Long Term Incentive Plan of the Company that was implemented on 16 January 2025
LTIP Award(s)	:	The offer of such number of Shares made by the LTIP Committee to an Eligible Person in the manner and subject to the terms and conditions provided in the By-Laws
LTIP Committee	:	The committee comprising the following appointed Directors of the Company: (i) Dato' Mohd Redza Shah bin Abdul Wahid (Senior Independent Non-Executive Director) (Chairman) (ii) Mohamed Ridza bin Mohamed Abdulla (Independent Non-Executive Director) (iii) Lee Lai Fan (Independent Non-Executive Director) (iv) Shamsul Anuar bin Abdul Majid (Non-Independent Non-Executive Director) (v) Prof Emeritus Dato' Dr Azizi bin Haji Omar (Non-Independent Non-Executive Director) which has been approved by the Board on 28 September 2024, to implement and administer the LTIP in accordance with the By-Laws
LTIP Participant(s)	:	The selected Eligible Person(s) who has duly accepted the LTIP Award(s)
LTIP Period	:	The period of the LTIP Scheme of 10 years as set out in the By-Laws
LTIP Scheme or Scheme	:	The long-term incentive plan to any Eligible Person, of up to three-point five percent (3.5%) of the total number of issued KPJ Shares (excluding treasury shares, if any) at any point in time over the LTIP Period, in accordance with the provisions of these By-Laws and such scheme shall be known as the " KPJ's Long Term Incentive Plan "
MFRS 2	:	Malaysian Financial Reporting Standards 2 - Share-based Payment
NA	:	Net Assets
Proposed LTIP Allocations	:	Propose allocations of the LTIP Awards to Chin Keat Chyuan, as well as the specific allocations to persons connected with him, if any Shareholders' approval would be sought for the specific allocations to persons connected with the Executive Director
Shareholders	:	The shareholders of the Company
RM and sen	:	Ringgit Malaysia and sen, respectively

All references to "we", "us", "our" and "ourselves" are to our Company and, where the context requires otherwise, the subsidiaries of our Company. All references to "you" in this Circular are to the shareholders of KPJ.

Words denoting the singular number only shall include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and *vice versa*. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust), unless otherwise specified.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any provision of a statute, rule, regulation, enactment or rule of stock exchange shall be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of stock exchange as modified by any written law or amendment or re-enactment to the statute, rule, regulation, enactment or rule of stock exchange for the time being in force.

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

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EXECUTIVE SUMMARY

This Executive Summary highlights only the pertinent information from other parts of this Circular. You are advised to read and understand the contents of this Circular in its entirety and not to rely solely on this Executive Summary in forming a decision on the Proposed LTIP Allocations before voting at the EGM.

Key information	Description	Reference in Circular
The Proposed LTIP Allocations	<p>On 16 January 2025, the Company implemented the LTIP Scheme as a long-term incentive plan which would align the interests of the Eligible Persons with the long-term objective of the KPJ Group. The LTIP Scheme is in force for a period of 10 years.</p> <p>Under the terms of the By-Laws, the Executive Director(s) of the Company(ies) are eligible to participate in the LTIP Scheme.</p> <p>Pursuant to Paragraph 6.06(1) of the Listing Requirements, the Company proposes to seek the Shareholders' approval to offer and grant the LTIP Award(s) (to be satisfied by way of transfer of Shares held in treasury) to the Executive Director of the Company, namely Chin Keat Chyuan (President and Managing Director), subject to the provisions of the By-Laws.</p>	Section 2
Rationale	<p>(i) To strengthen the alignment of executive compensation with long-term objectives of the Group; and</p> <p>(ii) To recognise and reward the Executive Director by giving recognition to their accumulated contribution to the operations and continued growth of the Group.</p>	Section 3
Approval required and conditionality	The Proposed LTIP Allocations are subject to the approval of the Shareholders at the forthcoming EGM.	Section 5
Interests of Directors and/or major shareholders and/or persons connected to them	<p>Save for the Executive Director of the Company, namely Chin Keat Chyuan, who is entitled to participate in the LTIP and is therefore deemed to be interested in the LTIP to the extent of his specific allocations of LTIP Awards as well as the specific allocations to persons connected with him (if any), none of the other Directors, major Shareholders, chief executive and/or persons connected with them (if any) are interested in the Proposed LTIP Allocations.</p> <p>Chin Keat Chyuan (President and Managing Director) has abstained and will continue to abstain from all Board's deliberations and voting in relation to the Proposed LTIP Allocations in the manner set out in Section 6 of this Circular.</p>	Section 6
Board's recommendation	The Board (save for the Interested Director) recommends that you vote in favour of the resolution pertaining to the Proposed LTIP Allocations to be tabled at the forthcoming EGM.	Section 8

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A JCORP Company

KPJ HEALTHCARE BERHAD
(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

Registered Office:

Level 13,
Menara KPJ,
238, Jalan Tun Razak,
50400 Kuala Lumpur

6 February 2025

BOARD OF DIRECTORS

Tan Sri Dato' Sri Dr. Ismail bin Bakar	<i>(Chairman, Non-Independent and Non-Executive Director)</i>
Dato' Mohd Redza Shah bin Abdul Wahid	<i>(Senior Independent Non-Executive Director)</i>
Mohamed Ridza bin Mohamed Abdulla	<i>(Independent Non-Executive Director)</i>
Khairuddin bin Jaflus	<i>(Independent Non-Executive Director)</i>
Hisham bin Zainal Mokhtar	<i>(Independent Non-Executive Director)</i>
Lee Lai Fan	<i>(Independent Non-Executive Director)</i>
Shamsul Anuar bin Abdul Majid	<i>(Non-Independent Non-Executive Director)</i>
Rozaini bin Mohd Sani	<i>(Non-Independent Non-Executive Director)</i>
Prof. Emeritus Dato' Dr Azizi bin Haji Omar	<i>(Non-Independent Non-Executive Director)</i>
Annie binti Rosle	<i>(Non-Independent Non-Executive Director)</i>
Chin Keat Chyuan	<i>(President and Managing Director)</i>

To: The Shareholders of KPJ

Dear Sir/Madam,

PROPOSED LTIP ALLOCATIONS

1. INTRODUCTION

On 16 January 2025, KAF IB had, on behalf of the Board, announced that the Company had on 16 January 2025 established the LTIP of up to three-point five percent (3.5%) of the total number of issued Shares of the Company (excluding treasury shares, if any) for Eligible Persons of the Group by way of transfer of Shares held in treasury. On even date, KAF IB had, on behalf of the Board, announced that the Company proposed to undertake the Proposed LTIP Allocations. As at the LPD, the Company has 4,526,608,066 Shares (including 162,306,700 Shares held in treasury).

Under the terms of the By-Laws, the Executive Director of the Company, namely Chin Keat Chyuan is eligible to participate in the LTIP.

Pursuant to Paragraph 6.06(1) of the Listing Requirements, a listed issuer must ensure that it or any of its subsidiaries does not issue shares or otherwise convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:

- (i) a director, major shareholder or chief executive of the listed issuer or a holding company of the listed issuer; or
- (ii) a person connected with an interested director, interested major shareholder or interested chief executive.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSED LTIP ALLOCATIONS TOGETHER WITH THE RECOMMENDATION OF OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED LTIP ALLOCATIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED LTIP ALLOCATIONS TO BE TABLED AT THE FORTHCOMING EGM.

2. THE PROPOSED LTIP ALLOCATIONS

2.1 Details of the Proposed LTIP Allocations

The Board proposes to offer and grant the LTIP Award(s) to Chin Keat Chyuan (President and Managing Director), subject to the provisions of the By-Laws and provided always that:

- (i) The allocation to him, if he, either singly or collectively through persons connected with him (if any), holds twenty percent (20%) or more of the total number of issued Shares of the Company (excluding treasury shares, if any), does not exceed ten percent (10%) of the total number of Shares to be issued under the LTIP; and
- (ii) He does not participate in the deliberation or discussion of his own allocation of the number of Shares comprised in the LTIP Award(s) under the LTIP to be offered to him as well as that of the interested persons connected with him within the meaning of the Listing Requirements,

and subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

2.2 Information on the LTIP

(i) Background of the LTIP

On 16 January 2025, the Company implemented the LTIP for a period of ten (10) years from the effective date of the LTIP of 16 January 2025 until 15 January 2035. The LTIP involves the granting of the LTIP Award(s) during the LTIP Period, in accordance with the provisions of the By-Laws. For the avoidance of doubt, the LTIP Award(s) will not be granted to the Non-Executive Directors of the Group. As at the LPD, the Company has yet to grant any LTIP Awards to the Eligible Persons.

Upon acceptance of the LTIP Awards by the LTIP Participant(s), the LTIP Award(s) will be vested to the LTIP Participant(s) at no consideration over the duration of the LTIP. The LTIP Award is intended to be granted on an annual basis and will vest according to the schedule and conditions determined by the LTIP Committee, subject to the achievement of specified performance criteria or other conditions as may be determined by the LTIP Committee in accordance with the By-Laws.

As at the LPD, the vesting conditions for the Proposed LTIP Allocations have yet to be finalised by the Board. Subject to the LTIP Committee's discretion, the LTIP Award pursuant to the Proposed LTIP Allocations is expected to be granted by the second half of 2025.

The reference price of the new KPJ Shares pursuant to the granting of the LTIP Awards will be determined based on the fair value of the KPJ Shares, which will take into account, among others, the market price of KPJ Shares immediately preceding the date the LTIP Awards are granted to the Eligible Persons and shall be rounded up to the nearest one hundred (100) Shares.

The LTIP is administered by the LTIP Committee. The LTIP Committee will have absolute discretion in administering the LTIP including prescribing financial and performance criteria and such other conditions as it may deem fit.

The rationale of the LTIP is as follows:

- (i) To serve as a long-term incentive plan to reward the Eligible Person(s) to align their interest with the corporate goals and objectives of the Group and allowing Eligible Person(s) through the LTIP Awards to have equity participation in the Group;
- (ii) To recognise the contribution of the Eligible Person(s) whose services are valued and considered vital to the operations and continued growth of the Group;
- (iii) To attract and reward the Eligible Person(s) by allowing them through the LTIP Award(s) to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;
- (iv) To motivate the Eligible Person(s) towards achieving improved performance through greater productivity and loyalty;
- (v) To inculcate a greater sense of belonging and dedication as the Eligible Person(s) are given the opportunity to participate directly in the equity of the Company; and
- (vi) Retain the Eligible Person(s), hence ensuring that the loss of key senior personnel is kept to a minimum level.

(ii) Mode of settlement

The LTIP Awards will be satisfied by way of transfer of Shares held in treasury.

(iii) Maximum number of KPJ Shares available under the LTIP

The maximum number of KPJ Shares, which may be made available pursuant to the LTIP shall not exceed in aggregate three-point five percent (3.5%) of the total number of issued KPJ Shares (excluding treasury shares, if any) at any point in time over the duration of the LTIP. The total number of Shares granted under the LTIP in combination with any other employee share schemes shall not be more than fifteen percent (15%) of the Company's total number of issued Shares at any one time. For the avoidance of doubt, the Company currently does not have any other employee share schemes in place.

(iv) Basis of allotment and maximum allowable allotment

Subject to the By-Laws and any adjustments which may be made under By-Laws, the aggregate number of KPJ Shares that may be allocated to any of the Eligible Person(s) of the KPJ Group who are entitled to participate in the LTIP are subject to the following parameters:

- (a) the total number of Shares made available under the LTIP shall not exceed the amount stated in 2.2(iii) above;

- (b) not more than ten percent (10%) of the total number of issued shares of the Company made available under the LTIP shall be allocated to any Eligible Person(s) who, either singly or collectively through person(s) connected (as defined in the Listing Requirements with the Eligible Person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (c) any Eligible Person(s) shall not participate in the deliberation or discussion of their own allocation and/or allocations to persons connected with them,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

For purposes of clarity, up to a maximum of one hundred percent (100%) of the total number of the KPJ Shares made available under the LTIP could be allocated to the eligible director and senior management of the KPJ Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time) provided that such allocation does not exceed three-point five percent (3.5%) of the issued Shares of the Company (excluding treasury shares) at any point in time during the LTIP Period. The LTIP is intended to incentivise the Executive Director(s) and employees who hold senior management positions of the Group for their contributions to create sustainable business performance and value enhancement for the shareholders through a high-performance culture as well as the smooth operation, continued growth and strategic direction of the Group. This focused allocation reflects the critical role of these senior positions in driving long-term performance and shareholder value, as they are best positioned to implement and influence the Company's long-term strategic objectives. However, the LTIP Committee retains the discretion to extend eligibility to individuals outside the senior management category if deemed appropriate, ensuring flexibility in recognising and rewarding exceptional contributions to the Group's strategic goals.

The basis for determining the aggregate number of KPJ Shares that may be offered and/or allocated under the LTIP to an Eligible Person(s) shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, among others, the Eligible Person's seniority, job grading, performance, length of service and/or contribution to the Group and/or such other matters which the LTIP Committee may in its sole and absolute discretion deem fit and the maximum allowable allocation as decided by the LTIP Committee.

The LTIP Committee has the sole and absolute discretion in determining whether the total number of KPJ Shares which may be made available under the LTIP shall be made on staggered basis over the duration of the LTIP or in a single grant.

(v) Eligibility

Subject to the discretion of the LTIP Committee, only Eligible Person(s) who meet the following conditions as at the date of which the LTIP Awards are awarded to the Eligible Person(s) ("**Award Date**") shall be eligible to participate in the LTIP:

- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Award Date:
 - (I) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (II) is employed by the Group on a full-time basis or under an employment contract within the Group, and is on the payroll of any company within the Group;
 - (III) must have been in employment of the Group for such period as may be determined by the LTIP Committee prior to and up to the Award Date;
 - (IV) he/she has not served a notice of resignation or received notice of termination or has otherwise ceased or had his/her employment terminated; and

- (V) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time.
- (b) in respect of an Executive Director, the Director must fulfil the following criteria as at the Award Date:
 - (I) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (II) has been appointed as an Executive Director of the Group for such period as determined by the LTIP Committee prior to and up to the Offer Date and has not served a notice of resignation or received a notice of termination; and
 - (III) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time.

For information, Chin Keat Chyuan is currently 50 years old and he is not an undischarged bankrupt nor subject to any bankruptcy proceedings. He was appointed as President and Managing Director of KPJ on 1 September 2023 and has served in the said position for 1 year and 5 months. As at the LPD, the LTIP Committee has yet to determine other conditions for Executive Director(s).

Notwithstanding the above, the selection of any Executive Director or Employee for participation in the LTIP shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding. In determining the eligibility of an Eligible Person(s) to participate in the LTIP, the LTIP Committee may take into account among other factors as stated in Section 2.2(iv) above and/or such other factors that the LTIP Committee may in its sole and absolute discretion deem fit.

The LTIP Committee shall have the discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, and further to amend any vesting conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance. Eligibility under the LTIP does not confer on an Eligible Person(s) a claim or right to participate in or any rights whatsoever under the LTIP and an Eligible Person(s) does not acquire or have any rights over or in connection with the LTIP Award unless the LTIP Award have been made by the LTIP Committee to the Eligible Person(s) and the Eligible Person(s) has accepted the LTIP Award in accordance with the provisions of the By-Laws.

(vi) Duration and termination of the LTIP

The LTIP, when implemented, shall be in force for a period of ten (10) years from the effective date of the LTIP of 16 January 2025 until 15 January 2035. On the expiry of the ten (10) years ("**Date of Expiry**"), any LTIP Award(s) which have yet to be vested (whether fully or partially) shall automatically lapse and be deemed cancelled and be null and void.

In accordance with the By-Law 13.5 of the By-Laws, subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the LTIP may be terminated by the LTIP Committee at any time before the Date of Expiry provided that the Company makes an announcement immediately to Bursa Securities on the following:

- (a) the effective date of termination;
- (b) the number of Shares vested pursuant to the Scheme; and
- (c) the reasons and justification for termination.

(vii) Utilisation of proceeds

No proceeds will be received by the Company pursuant to the LTIP as the LTIP Participants will not be required to pay for the Shares that they are entitled to receive upon the vesting of the LTIP Awards.

(viii) Rights attached to the treasury shares transferred pursuant to the vesting of the LTIP Awards

The treasury shares to be transferred pursuant to the vesting of the LTIP Awards will be subject to the provisions of the Act and/or the Constitution of KPJ and until the LTIP Awards granted are satisfied via the transfer of existing KPJ Shares, the LTIP Participants will not be entitled to any entitlement attached to such KPJ Shares in respect of which the entitlement date is prior to the effective date of the transfer of such KPJ Shares to the LTIP Participants.

The LTIP Awards shall not carry any rights to vote at any general meeting of KPJ. The LTIP Participant will not in any event be entitled to any dividends, rights, allotments and/or other distributions in respect of his/her unvested LTIP Awards.

(ix) Retention period

The KPJ Shares to be allotted and issued or transferred to the LTIP Participants upon vesting of the LTIP Awards pursuant to the LTIP will not be subject to any retention period or restriction on transfer, save as otherwise provided in the By-Laws or unless the LTIP Committee at its sole discretion stipulates otherwise. The expression “retention period” shall mean the period in which the Shares awarded and issued pursuant to the LTIP must not be sold, transferred, assigned or otherwise disposed of by the LTIP Participants.

(x) Fees, costs and expenses

All fees, costs and expenses incurred in relation to the administration and management of the LTIP including but not limited to the fees, costs and expenses relating to the allotment and issuance and/or transfer of the Shares pursuant to the exercise or vesting of any LTIP Awards shall be borne by the Company. Notwithstanding this, the LTIP Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an LTIP Award, and any holding or dealing of the Shares after the Shares have been successfully issued and allotted or transferred to the LTIP Participants pursuant to the LTIP Award, including but not limited to the opening and maintaining of his/her central depository system account, brokerage commissions and stamp duties.

The estimated expenses for the LTIP and the Proposed LTIP Allocations to be borne by the Company is approximately RM1,400,000, comprising professional and regulatory fees as well as other expenses incurred in connection with the LTIP and the Proposed LTIP Allocations.

(xi) Modification, Variation and/or Amendment to the LTIP

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

- (a) prejudice any rights which would have accrued to any LTIP Participant(s) without the prior consent or sanction of that LTIP Participant(s); or
- (b) increase the number of KPJ Shares available under the LTIP beyond the maximum number of KPJ Shares available as stated in 2.2(iii) above without prior approval of the shareholders in a general meeting;

- (c) prejudice any rights of the Shareholders without their prior approval in a general meeting; or
- (d) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the By-Laws by virtue of the Listing Requirements, without the prior approval of the Shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

3. RATIONALE FOR THE PROPOSED LTIP ALLOCATIONS

The Proposed LTIP Allocations are expected to achieve the following objectives:

- (i) to strengthen the alignment of executive compensation with long-term objectives of the Group; and
- (ii) to recognise and reward the Executive Directors by giving recognition to their accumulated contribution to the operations and continued growth of the Group.

Brief profile of Chin Keat Chyuan is as follows:

Chin Keat Chyuan joined KPJ as President and Managing Director on 1 September 2023, bringing 25 years of experience at Johnson & Johnson, where he rose to managing director of Johnson & Johnson Sdn Bhd, overseeing operations and strategic growth.

Holding a Master of Business Administration (MBA) with Merit from Nottingham University Business School and a First-Class Honours degree in Biochemistry from Universiti Kebangsaan Malaysia, Chin Keat Chyuan has led KPJ's transformation strategy, focusing on business growth, asset optimisation and cultural activation. KPJ streamlined its portfolio and leveraged technology and digital solutions to enhance operational efficiency.

As a result of the many initiatives Chin Keat Chyuan led, KPJ recorded its highest-ever quarterly revenue of more than RM1 billion in third quarter of the FYE 31 December 2024. KPJ's market capitalisation has more than doubled to over RM10 billion. He has also advanced KPJ's sustainability agenda such as on clinical waste management in Malaysia. He also pushed for partnership and collaborations such as with Ministry of Health for the Malaysia International Healthcare Megatrends and Mayo Care Clinic Network with Mayo Clinic.

Chin Keat Chyuan served as President of the Pharmaceutical Association of Malaysia (PhAMA) from 2017 to 2023 and was a Board Member of the American Malaysian Chamber of Commerce (AMCHAM) from 2018 to 2023. He was elected as Vice President of the Association of Private Healthcare Providers Malaysia (APHM) in 2024. He also sits on Malaysia-United Arab Emirates Business Council (MUAEBEC) and recently joined Malaysia's delegation during the Prime Minister YAB Dato' Seri Anwar Ibrahim visit to Abu Dhabi and London in January 2025.

4. EFFECTS OF THE PROPOSED LTIP ALLOCATIONS

4.1 Share capital

Save for the differences in fair value of the LTIP Awards at the point of granting and the carrying value of the treasury shares in the Company, the LTIP is not expected to have any immediate material effect on the issued share capital of the Company as it does not involve any issuance of new Shares.

However, the potential effect of the LTIP on the issued share capital of the Company cannot be determined at this juncture as it will depend on, amongst others, the number of LTIP Awards granted and the various factors that affect the fair value of the LTIP Awards at the relevant point in time. These factors include, but are not limited to, the market price of the Shares, historical volatility of the Shares, the vesting period of the LTIP Awards, and performance conditions (if any).

4.2 Substantial Shareholders' shareholdings

The Proposed LTIP Allocations are not expected to have any immediate effect on the shareholdings of KPJ's substantial Shareholders. The dilution to the substantial Shareholders' shareholding in the Company will depend on the number of Shares transferred to the LTIP Participants at the relevant point in time pursuant to the LTIP. As at the LPD, the public shareholding spread of KPJ is 54.98%.

4.3 Earnings and EPS

The Proposed LTIP Allocations are not expected to have any immediate material effect on the earnings and EPS of the KPJ Group until such time when the LTIP Awards are granted. In accordance with the MFRS 2, the LTIP will result in a change to the earnings of the Group during the period from the grant date to the vesting date of the LTIP Awards.

Any transfer of the treasury shares that are vested to Eligible Participants will result in a dilutive effect on the EPS of the Company due to the resultant increase in the number of issued Shares (excluding the remaining treasury shares, if any).

However, the potential effect of the Proposed LTIP Allocations on the future earnings and EPS of the Group cannot be determined at this juncture as it will depend on, among others, the number of LTIP Awards granted and the various factors that affect the fair value of the LTIP Awards at the relevant point in time. These factors include, but are not limited to, the market price of the Shares, historical volatility of the Shares, the vesting period of the LTIP Awards, and performance conditions (if any).

4.4 NA and gearing

The Proposed LTIP Allocations are not expected to have any immediate effect on the NA and NA per Share of the Group. Any potential effects on the NA and NA per Share of the Group will depend on the actual number of LTIP Awards vested. Any transfer of the treasury shares that are vested to Eligible Participants will result in a dilutive effect on the NA per Share of KPJ due to the resultant increase in the number of issued Shares (excluding the remaining treasury shares, if any). The LTIP is not expected to have any material effect on the KPJ Group's gearing level.

4.5 Convertible securities

As at the LPD, the Company does not have any convertible securities in issue.

5. APPROVALS REQUIRED AND CONDITIONALITY

The establishment of the LTIP is not subject to the approval of the Shareholders or any regulatory authorities.

The Proposed LTIP Allocations are subject to the approval of the Shareholders at the forthcoming EGM.

The Proposed LTIP Allocations are not conditional upon any other corporate exercise / scheme of the Company.

6. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The Executive Director of the Company, namely Chin Keat Chyuan is entitled to participate in the LTIP and is therefore deemed to be interested in the LTIP to the extent of his specific allocations of LTIP Awards as well as the specific allocations to persons connected with him (if any).

Accordingly, the Interested Director has abstained and will continue to abstain from all Board deliberations and voting on any subject matter pertaining to the LTIP and in respect of any specific allocations of the LTIP Awards to himself respectively as well as the specific allocations to persons connected with him (if any) under the LTIP at the relevant Board meetings of the Company and will continue to abstain from voting in respect of the direct and/or indirect shareholding of the Interested Director in KPJ (if any), on the resolutions pertaining to the LTIP and proposed allocation to Interested Director under the LTIP at the EGM of the Company to be convened.

The Interested Director will also abstain and have undertaken to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in KPJ on the resolutions pertaining to their specific allocation of the LTIP Awards to themselves, as well as the specific allocations to persons connected with them (if any) at the forthcoming EGM of the Company.

The direct and indirect shareholdings of the Interested Director in KPJ are as follows:

	As at the LPD			
	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
Chin Keat Chyuan	700,000	(1) 0.016	-	-
	Assuming the maximum allocation of LTIP Awards			
	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
Chin Keat Chyuan	3,700,000	(2) 0.085	-	-

Notes:

(1) Based on our issued share capital of 4,364,301,366 Shares (excluding 162,306,700 Shares held in treasury)

(2) Based on our enlarged issued share capital of 4,367,301,366 Shares (excluding 159,306,700 Shares held in treasury)

In the event the Company decides to further grant the LTIP Awards to Chin Keat Chyuan under the LTIP, the Company will seek the approval of the shareholders for the award of such LTIP Awards prior to the award of the said LTIP Awards.

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7. HISTORICAL PRICES

The monthly highest and lowest prices of KPJ Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months are as follows:

	<u>Highest</u> (RM)	<u>Lowest</u> (RM)
2024		
January	1.65	1.41
February	1.70	1.56
March	1.96	1.65
April	2.05	1.85
May	2.05	1.89
June	1.99	1.85
July	1.95	1.79
August	1.93	1.72
September	2.20	1.89
October	2.18	2.04
November	2.54	2.06
December	2.54	2.24

Closing market price of KPJ Shares as at 15 January 2025
(being the latest trading day prior to the announcement on the LTIP) 2.25

Last transacted market price as at the LPD 2.26

(Source: Bloomberg)

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Director who has abstained from expressing any opinion and making any recommendation in relation to the Proposed LTIP Allocations), after having considered all aspects of the LTIP is of the opinion that the LTIP is in the best interests of the Company.

Accordingly, the Board (save for the Interested Director who has abstained from expressing any opinion and making any recommendation insofar on their respective allocations and the specific allocations to persons connected with them (if any) under the Proposed LTIP Allocations) recommends that you vote in favour of the resolution pertaining to the Proposed LTIP Allocations to be tabled at the forthcoming EGM.

9. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED LTIP ALLOCATIONS

Barring any unforeseen circumstances, the Proposed LTIP Allocations are expected to be implemented upon the approval of the Shareholders at the forthcoming EGM.

10. EGM

The Company's forthcoming EGM will be conducted fully virtual through live streaming and online remote voting using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781), on Friday, 28 February 2025 at 3:00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modification, to give effect to the Proposed LTIP Allocations.

As a shareholder, you are entitled to appoint a proxy or proxies to participate and vote on your behalf. If you wish to do so, kindly complete and deposit the Proxy Form at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Drop-in box at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively by electronic means via TIIH online website at <https://tiih.online> (kindly refer to the Administrative Guide for the EGM on the procedure for electronic submission of Proxy Form via TIIH Online), at least forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof.

11. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,

For and on behalf of the Board of
KPJ HEALTHCARE BERHAD

MOHAMED RIDZA BIN MOHAMED ABDULLA
Independent Non-Executive Director

BY-LAWS FOR THE LTIP

**KPJ HEALTHCARE BERHAD (“KPJ” OR “COMPANY”)
BY-LAWS OF THE LONG TERM INCENTIVE PLAN**

1. DEFINITIONS AND INTERPRETATIONS

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

Act	:	Companies Act 2016, as amended from time to time and all regulations made thereunder, including any re-enactment thereof
Adviser	:	A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007, which includes a Principal Adviser as defined under Chapter 7A of the Securities Commission Malaysia's Licensing Handbook, as amended from time to time
Authorised Nominee	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository
Award(s)	:	The offer of such number of Shares made by the LTIP Committee to an Eligible Person in the manner and subject to the terms and conditions provided in these By-Laws
Award Date(s)	:	The date of which an Award(s) is awarded to an Eligible Person pursuant to an Award letter to be issued by the LTIP Committee pursuant to this By-Laws
Board	:	The Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
By-Laws	:	These rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time)
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time including all subsidiary

BY-LAWS FOR THE LTIP (CONT'D)

	legislations made thereunder and any re-enactment thereof
Constitution	: The constitution of the Company, including any amendments thereto that may be made from time to time
Date of Expiry	: Last day of the duration of the Scheme pursuant to By-Law 13.2 hereof
Director	: A natural person who holds a directorship in the Company or any company within the Group, in an executive capacity, and shall have the meaning of Section 2(1) of the Capital Markets and Services Act 2007 as amended from time to time including any re-enactment thereof
Effective Date	: The date on which the Scheme comes into force as provided in By-Law 13.1
Eligible Person(s)	: Any Director or Employee of the Company or any company within the Group who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof
Employee	: A natural person who is employed by and on the payroll of the Company or any company within the Group
Entitlement Date	: The date as at the close of business on which shareholders' names must appear in the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
KPJ or the Company	: KPJ Healthcare Berhad (Registration No. 199201015575 (247079-M))
KPJ Group or the Group	: The Company and its subsidiary companies as defined in Section 4 of the Act, and in the context of the LTIP, shall exclude subsidiary companies which are dormant. Subject to the foregoing, subsidiary companies include subsidiary companies which are existing as at the Effective Date and subsidiary companies which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 11
KPJ Share(s) or Share(s)	: Ordinary share(s) in KPJ
Listing Requirements	: Main Market Listing Requirements of Bursa Securities, as amended from time to time

BY-LAWS FOR THE LTIP (CONT'D)

LTIP	:	Long Term Incentive Plan as stipulated in these By-Laws
LTIP Committee	:	The establishment of a new committee or any appointed existing committee comprising such persons as may be appointed and duly authorised by the Board pursuant to By-Law 14 to implement and administer the Scheme
LTIP Scheme or Scheme	:	The long term incentive plan to any Eligible Person in accordance with the provisions of these By-Laws and such scheme shall be known as the "KPJ's Long Term Incentive Plan"
Market day	:	A day on which Bursa-Securities is open for trading in securities
Maximum Allowable Allotment	:	The maximum number of Shares in respect of the LTIP Awards that can be made available to an Eligible Person as set out in By-Law 5 hereof
Participant(s)	:	Eligible Person(s) who has accepted the Award(s) in the manner provided in By-Law 30
Person(s) connected	:	Has the meaning ascribed to "person connected" in Paragraph 1.01 of the Listing Requirements
Record of Depositors	:	A record provided by Bursa Depository to a listed issuer under Chapter 24 of the Rules of Bursa Securities, including any amendment that may be made from time to time
RM and sen	:	Ringgit Malaysia and sen respectively
Rules of Bursa Depository	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act
Vesting Conditions	:	The conditions, which are determined and imposed by the LTIP Committee, which are required to be fulfilled by a Participant to the satisfaction of the LTIP Committee before the Award(s) is capable of being vested onto the Participant pursuant to the terms of these Bylaws
Vesting Date(s)	:	The date upon which all or any parts of the Shares awarded to a Participant(s) are eligible to be vested upon fulfilment of all terms and Vesting Conditions, if any, as determined by the LTIP Committee

BY-LAWS FOR THE LTIP (CONT'D)

1.2 In these By-Laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and Listing Requirements and any policies and/or guidelines of the relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any LTIP Award(s) awarded and accepted during the duration of the Scheme and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (iii) words denoting the singular shall include the plural and vice versa and references to gender shall include both genders and the neuter;
- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the LTIP Committee may be exercised in the LTIP Committee's absolute discretion and the LTIP Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
- (v) the heading in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;
- (vi) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day, provided always if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the last preceding Market Day of the Date of Expiry;
- (vii) any reference to the Company and/or other person shall include a reference to its successors-in-title and permitted assigns; and
- (viii) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

2. NAME AND OBJECTIVE OF SCHEME

2.1 This Scheme shall be called the "**KPJ's Long Term Incentive Plan**".

2.2 The objectives of the Scheme are as follows:

- (a) to serve as a long-term incentive plan to reward the Eligible Persons to align their interest with the corporate goals and objectives of the Group and allowing Eligible Persons through the Awards to have equity participation in the Group;
- (b) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (c) to attract and reward the Eligible Persons by allowing them through the LTIP Awards to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;

BY-LAWS FOR THE LTIP (CONT'D)

- (d) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty within the Group;
- (e) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (f) possibly retain the Eligible Persons, hence ensuring that the loss of key senior personnel is kept to a minimum level.

3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of the Shares which may be made available under the Scheme shall not in aggregate exceed three and a half percent (3.5)% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Scheme as provided in By-Law 13.2. For the purpose of this Scheme, the grant of Shares to the Eligible Person will be made via transfer from the treasury shares of the Company.
- 3.2 Notwithstanding the provision of By-Law 3.1 above and any other provisions contained herein, in the event the total number of the Shares that may be made available under the Scheme exceeds three and a half percent (3.5)% of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing the Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such Award(s) awarded prior to the adjustment of the issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the LTIP Committee shall not make any further Award(s) until the total number of Shares under the subsisting Award(s) falls below three and a half percent (3.5)% of the total number of issued shares of the Company (excluding treasury shares, if any). For avoidance of doubt, any LTIP Award, that is not accepted by any Eligible Person pursuant to these By-Laws will be added back to the number of Shares available to be awarded under the Scheme.
- 3.3 Notwithstanding the above, the Company may implement more than one (1) long term incentive plan during the duration of this Scheme provided that the aggregate Shares available for issuance under all the share issuance schemes implemented by the Company are not more than 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

4. ELIGIBILITY

- 4.1 Subject to the sole discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to participate in the Scheme:
 - (i) in respect of an Employee, the Employee must fulfil the following criteria as at the Award Date:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) is employed by the Group on a full-time basis or under an employment contract within the Group, and is on the payroll of any company within the Group;
 - (c) must have been in employment of the Group for such period as may be determined by the LTIP Committee prior and up to the Award Date;

BY-LAWS FOR THE LTIP (CONT'D)

- (d) he/she has not served a notice of resignation or received notice of termination or has otherwise ceased or had his/her employment terminated; and
 - (e) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time.
 - (ii) in respect of a Director, the Director must fulfil the following criteria as at the Award Date:
 - (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) has been appointed as a Director of the Group for such period as determined by the LTIP Committee prior to and up to the Award Date and has not served a notice of resignation or received a notice of termination; and
 - (c) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time.
- 4.2 Notwithstanding the above, the LTIP Committee may, at its sole and absolute discretion, waive any of the eligibility conditions as set out in By-Law 4.1 above. The selection of any Director or Employee for participation in the Scheme, eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the LTIP Committee may take into account amongst other factors, job grading, length of service and/or contribution to the relevant company with the Group, and/or such other factors that the LTIP Committee may in its sole and absolute discretion deem fit.
- 4.3 The LTIP Committee shall have the discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, and further to amend any Vesting Conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.
- 4.4 Notwithstanding By-Law 4.1, the LTIP Award(s) to be awarded to any Eligible Person, who is a Director, major shareholder or chief executive of the Company or Person(s) connected with such Director, major shareholder or chief executive (as defined in the Listing Requirements), shall also be approved by the shareholders of the Company in general meeting to be convened unless such approval is no longer required under the Constitution, the Listing Requirements and any other prevailing guidelines issued by the authorities.
- 4.5 Any Eligible Person who holds more than 1 position within KPJ Group and by holding such positions, the Eligible Person is in more than 1 category, shall only be entitled to the Maximum Allowable Allotment of any 1 of those category/designation of employment. The LTIP Committee shall be entitled at its sole discretion to determine the applicable category/designation of employment.
- 4.6 An Employee or Director of a dormant company within KPJ Group is not eligible to participate in the Scheme.
- 4.7 An Employee or Director who during the duration of the Scheme becomes an Eligible Person may, at the sole discretion of the LTIP Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment and the decision of the LTIP Committee shall be final and binding.
- 4.8 Eligibility under the Scheme does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any right over or in connection with the Award(s) unless the Award(s) has been

BY-LAWS FOR THE LTIP (CONT'D)

made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the Award(s) in accordance with these By-Laws.

5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

5.1 The allocation of the Shares to be made available for the Award(s) under the Scheme shall be determined by the LTIP Committee.

5.2 Subject to By-Law 3 and any adjustment which may be made under By-Law 9, the maximum number of Shares to be awarded to an Eligible Person under the Scheme at any point of time in each Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's seniority, job grading, performance, length of service, and/or contribution to the Group, and/or such other matters as the LTIP Committee deems fit in its sole and absolute discretion, and subject to the following conditions:

- (i) the total number of Shares made available under the Scheme shall not exceed the amount in By-Law 3.1 above;
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through Person(s) connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (iii) up to three and a half percent (3.5)% of the total number of Shares which may be made available under the Scheme could be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time); and
- (iv) any Eligible Person shall not participate in the deliberation or discussion of their respective allocations as well as to Person(s) connected with them, if any;

PROVIDED ALWAYS THAT it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

5.3 The LTIP Committee shall determine the maximum number of Shares for the Award(s) that will be made available to an Eligible Person under the Scheme, in the manner provided in these By-Laws in relation to each class or grade of Directors and Employees and the aggregate maximum number of Award(s) that can be awarded to the Directors and Employees under the Scheme from time to time, and the decision of the LTIP Committee shall be final and binding. For the avoidance of doubt, the LTIP Committee shall not be obliged in any way to offer an Eligible Person the Award(s) for all the specified Maximum Allowable Allotment applicable to such Eligible Person under the Scheme.

5.4 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of employee of which he/she then is a party, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.

5.5 In the event that an Eligible Person who is demoted/re-designated to a lower grade for whatsoever reason shall only be entitled to the allocation of that lower grade unless an award has been made and accepted by him before such demotion/re-designated and where he has

BY-LAWS FOR THE LTIP (CONT'D)

- accepted an award which exceeds his Maximum Allowable Allotment under that lower grade, he shall not be entitled to any further allocation for that lower grade.
- 5.6 The Company shall ensure that the Award(s) awarded pursuant to the Scheme is verified by the audit committee of the Group at the end of each financial year as being in compliance with the award criteria of the Award(s) which have been disclosed to the Eligible Person.
- 5.7 The LTIP Committee may at its sole and absolute discretion determine whether the Award(s) to the Eligible Person(s) will be made on staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions, even during the vesting period.
- 5.8 If any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her LTIP Award(s).
- 5.9 The selection of any Eligible Person to participate in the Scheme will be at the sole discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.
- 5.10 At the time the Award(s) is awarded in accordance with these By-Laws, the LTIP Committee shall set out the basis of award, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment that may be awarded to such Eligible Person under the Award(s).
- 5.11 Subject to By-Law 5.2, nothing herein shall prevent the LTIP Committee from awarding more than 1 Award(s) to an Eligible Person **PROVIDED THAT** the total aggregate number of Shares comprised in the Award(s) awarded to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment that an Eligible Person is entitled under the Award(s).

6. RIGHTS OF THE PARTICIPANT(S)

- 6.1 The Award(s) shall not carry any right to vote at any general meeting of the Company.
- 6.2 The Shares which are credited into the Participants' CDS Account or the CDS Account of his/her Authorised Nominee upon vesting of the Awards would carry rights to vote at the general meeting of the Company, if the Participant(s) is registered in the Record of Depositors on the Entitlement Date to be entitled to attend and vote at the general meeting.
- 6.3 A Participant(s) shall not be entitled to any dividends, rights and/or other distributions or entitlements on his/her unvested Awards.

7. RIGHTS ATTACHING TO THE SHARES

- 7.1 The Shares arising upon vesting of Awards shall, upon allotment and issuance, rank equally in all respects with the existing Shares and together with the Shares procured by the Company, via the Trustee, for transfer shall:
- (i) be subject to the provisions of the Constitution; 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 credited into the CDS Account of the Participant(s) and shall in all other respects rank equally with other existing Shares then in issue.

BY-LAWS FOR THE LTIP (CONT'D)

7.2 Notwithstanding any provision in these By-Laws, the Participant(s) shall not be entitled to any rights, dividends, allotments or other distributions attached to the Shares prior to the date on which such Shares are credited into their respective CDS Accounts or of which is prior to the date of allotment of such new Shares.

7.3 In the event that any existing Shares are to be transferred upon the vesting of any Shares under Awards, the existing Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the Shares are credited not the CDS Accounts of the relevant Participants.

8. RETENTION PERIOD

8.1 The Shares arising upon vesting of the Awards will not be subjected to any retention period or restriction on transfer. However, the Participant(s) are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of any immediate gain. The expression "retention period" shall mean the period in which the Shares awarded pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant(s).

8.2 Notwithstanding to the above By-Law 8.1, the LTIP Committee shall be entitled at its discretion to prescribe or impose, in relation to any Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.

9. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

9.1 In the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or any other variation of capital or otherwise howsoever taking place, such corresponding alterations (if any) may be made in relation to the Scheme in accordance with the formula to be decided by the LTIP Committee upon consultation with the Adviser of the Company.

9.2 Alterations may be made in respect of:

- (i) the number of Shares comprised in the Award(s) to the extent not yet vested; and/or
- (ii) the method and/or manner in the vesting of the Shares comprised in the Award(s).

9.3 Any adjustment arising from a bonus issue, subdivision or consolidation of shares shall be as determined by the LTIP Committee to be in its opinion fair and reasonable to the Eligible Persons and the decision of the LTIP Committee shall be final and binding in all respects on the Eligible Persons.

9.4 Any adjustment other than on a bonus issue, subdivision or consolidation of shares must be in such a manner or formula as to give the Eligible Persons a fair and reasonable Award entitlement under the Scheme as confirmed in writing by the external auditors or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable. The confirmation by the external auditors or the Adviser shall be final and binding in all respects on the Eligible Persons.

9.5 In the event that a fraction of a Share arises from the adjustments referred to in this By-Law 9, the number of Shares shall automatically be rounded down to the nearest whole number.

BY-LAWS FOR THE LTIP (CONT'D)

- 9.6 The LTIP Committee shall, within 30 days from the date of adjustment, notify the Eligible Persons (or his legal personal representatives where applicable) in writing of any adjustments as determined by the LTIP Committee pursuant to By-Law 9.1.
- 9.7 The provisions of By-Law 9 shall not apply where the alteration in the capital structure of the Company arises from any of the following:
- (i) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (ii) private placement or restricted issue or special issue of new Shares by the Company; or
 - (iii) a special issue of securities to Bumiputera parties or investors nominated by the Ministry of Investment, Trade and Industry and/or other government authority to comply with the government's policy on Bumiputera capital participation; or
 - (iv) a purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 127 of the Act; or
 - (v) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants and convertible loan stocks or other instruments (if any) issued by the Company.
- 9.8 An adjustment pursuant to By-Law 9.1 shall be made according to the following terms:
- (a) in the case of a right issue, bonus issue or other capitalisation issue, on the next Market Day following the Entitlement Date in respect of such issue; or
 - (b) in the case of a consolidation or subdivision of the Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective or such period as may be prescribed by Bursa Securities.
- 10. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS, RECONSTRUCTIONS AND DISPOSAL OF ASSETS**
- 10.1 In the event of:
- (i) a take-over offer being made for, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over ("**Offeror**") or any persons acting in concert with the Offeror); or
 - (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Participant(s) that it intends to exercise such rights on a specific date ("**Specified Date**"); or
 - (iii) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the LTIP Committee may at its discretion to the extent permitted by law permit the vesting and termination of the Award (or any part thereof) in the Participant(s) or the Participant's legal and

BY-LAWS FOR THE LTIP (CONT'D)

personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set out in the Award and/or the Vesting Condition(s) has not been fulfilled/satisfied.

11. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 11.1 If a Participant(s) is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, the Participant(s) shall cease to be capable of being vested with any unvested Awards awarded to him/her under the Scheme from the date of completion of such divestment or the Date of Expiry, whichever expires first, unless the LTIP Committee at its discretion permit such exercise of the vesting of the unvested Awards including its allocation thereof.

For the avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing Awards shall automatically lapse and become null and void and of no further force and effect, and such Participant(s) shall not be eligible to participate for further Award(s) under the Scheme as from the date of completion of such divestment.

- 11.2 For the purposes of By-Law 11.1 above, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act (other than pursuant to a takeover, scheme of arrangement, amalgamation, reconstruction, merger or otherwise as provided under the By-Law 10).

- 11.3 In the event that:

- (i) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of "KPJ Group") and is subsequently transferred from such company to any company within the Group; or
- (ii) an employee who was in the employment of a company which subsequently becomes a company within the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (i) above;

(the first abovementioned company in (i) and (ii) herein referred to as the "**Previous Company**"), such an employee of the Previous Company will be eligible to participate in this Scheme for the remaining duration of the Scheme, if the affected employee becomes an "Eligible Person" within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (ii) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of the Group (PROVIDED THAT such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under By-Law 1 and the provisions of these By-Laws shall apply.

This eligibility shall apply as long as the employee is within the Group, including joint ventures and subsidiaries under the Company.

BY-LAWS FOR THE LTIP (CONT'D)

12. WINDING UP

- 12.1 All outstanding Awards under the Scheme shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to vest in the Awards pursuant to the Scheme shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to vest the Awards pursuant to the Scheme shall accordingly be unsuspended.

13. DURATION AND TERMINATION OF THE SCHEME

- 13.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including but not limited to the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of a compliance pursuant to Paragraph 2.12 of the Listing Requirements and checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) procurement of the shareholders' approval in respect of the allocation to the Directors in a general meeting);
- (iii) receipt of the approval of any relevant authorities whose approvals are necessary in respect of the Scheme; and
- (iv) fulfilment of all conditions attached to any of the abovementioned approvals, if any.

The Company shall through its Adviser submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting (if applicable). The confirmation letter shall be submitted to Bursa Securities no later than 5 Market Days after the Effective Date.

- 13.2 The Scheme, when implemented, shall be in force for a period of ten (10) years from the Effective Date.
- 13.3 Award(s) can only be made from the Effective Date and up to the Date of Expiry.
- 13.4 Notwithstanding anything to the contrary, all unvested Awards shall lapse and become null and void on the Date of Expiry.
- 13.5 Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Scheme may be terminated by the LTIP Committee at any time before the Date of Expiry PROVIDED THAT an announcement is released to Bursa Securities on the following:
- (i) the effective date of termination ("**Termination Date**");
 - (ii) the number of the Shares vested pursuant to the Scheme; and
 - (iii) the reasons and justification for termination.
- 13.6 In the event of termination as stipulated in By-Law 13.5 above, the following provisions shall apply:

BY-LAWS FOR THE LTIP (CONT'D)

- (i) no further Award(s) shall be awarded by the LTIP Committee from the Termination Date;
 - (ii) all Award(s) which have yet to be accepted by the Eligible Persons shall automatically lapse and become null and void on the Termination Date; and
 - (iii) any Award(s) which have yet to be vested (as the case may be and whether fully or partially) awarded under the Scheme shall automatically lapse and be deemed cancelled and be null and void.
- 13.7 Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of the Participant(s) who have yet to be vested their Awards are not required to effect a termination of the Scheme.

14. ADMINISTRATION AND IMPLEMENTATION OF THE SCHEME

- 14.1 The Scheme shall be administered by the LTIP Committee. The LTIP Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board. The decision of the LTIP Committee shall be final and binding.
- 14.2 Without limiting the generality of By-Law 14.1, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the Award(s), create any procedural documentation on how the Scheme can be implemented, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:
- (i) subject to the provisions of the Scheme, construe and interpret the Scheme and the Award(s) awarded under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The LTIP Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
 - (ii) determine all question of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.
- 14.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the LTIP Committee as it shall deem fit.

In implementing the Scheme, the LTIP Committee may at its absolute discretion decide that the Awards be satisfied by the transfer of the Company's treasury shares or any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof.

15. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 15.1 Subject to By-Law 15.2 and compliance with the Listing Requirements, the LTIP Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in these By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that

BY-LAWS FOR THE LTIP (CONT'D)

such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.

- 15.2 Subject to By-Law 15.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
- (i) prejudice any rights which would have accrued to any Participant(s) without the prior consent or sanction of that Participant(s); or
 - (ii) increase the number of the Shares available under the Scheme beyond the maximum amount set out in By-Law 5 above; or
 - (iii) prejudice any rights of the shareholders of the Company; or
 - (iv) alter to the advantage of an Eligible Person and/or Participant(s) in respect of any matters which are required to be contained in these By-Laws without the prior approval of the Company's shareholders obtained in a general meeting unless allowed by the provisions of the Listing Requirements.

Such amendment or modification to the By-Laws does not need the prior approval of Bursa Securities. However, the Company shall submit to Bursa Securities a confirmation letter that the amendment or modification does not contravene any of the provisions of the Listing Requirements pertaining to the Scheme no later than 5 Market Days after the effective date of the said amendment or modification is made.

- 15.3 The LTIP Committee shall within 10 Market Days of any amendment and/or modification made pursuant to these By-Laws notify the Participant(s) in writing of any amendment and/or modification made pursuant to these By-Laws.

16. INSPECTION OF THE AUDITED ACCOUNTS

- 16.1 All Participant(s) are entitled to inspect the latest audited accounts of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

17. SCHEME NOT A TERM OF EMPLOYMENT

- 17.1 This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

18. NO COMPENSATION FOR TERMINATION

- 18.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the Awards(s) or this Scheme pursuant to the provisions of these By-Laws.
- 18.2 Notwithstanding any provisions of these By-Laws:
- (i) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group.

BY-LAWS FOR THE LTIP (CONT'D)

The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the Award(s) or consideration for the Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;

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

19. DISPUTES

- 19.1 In case any dispute or difference shall arise between the LTIP Committee and an Eligible Person or a Participant or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the LTIP Committee during the duration of the Scheme. The LTIP Committee then shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or the Participant, as the case may be PROVIDED THAT where the dispute is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance. In the event the Eligible Person or the Participant(s), as the case may be, shall dispute the same by written notice to the LTIP Committee within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, PROVIDED THAT any Director of the Company who is also in the LTIP Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.
- 19.2 Notwithstanding the foregoing provisions of By-Law 19.1 above, matters concerning adjustments made pursuant to By-Law 9 shall be referred to external auditors of the Company or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

BY-LAWS FOR THE LTIP (CONT'D)

20. COSTS AND EXPENSES

20.1 Unless otherwise stipulated by the Company in the Award(s), all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issuance and/or transfer of the Shares pursuant Award(s), shall be borne by the Company. Notwithstanding this, the Participant(s) shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the Award(s) under the Scheme and any holding or dealing of the Shares after the Shares have been successfully issued and allotted or transferred to the Participant(s) pursuant to the Award(s), including but not limited to the opening and maintenance of his or her own CDS Account, brokerage commissions and stamp duties.

21. CONSTITUTION

21.1 In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

22. TAXES

22.1 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the Award(s) and any holding or dealing of such Shares under the Scheme shall be borne by the Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

23. NOTICE

23.1 Any notice under the Scheme required to be given to or served upon the LTIP Committee by an Eligible Person or Participant(s) or any correspondence to be made between an Eligible Person or Participant(s) to the LTIP Committee shall be given or made in writing and either delivered by hand or sent to the LTIP Committee or the Company by email or ordinary letter. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.

23.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Participant(s) pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given;

- (i) if it is sent by ordinary post by the Company to the Eligible Person or the Participant(s) at the last address known to the Company as being his/her address such notice or request shall be deemed to have been received 3 Market Days after posting;
- (ii) if it is delivered by hand to the Eligible Person or the Participant(s), such notice or request shall be deemed to have been received on the date of delivery; and
- (iii) if it is sent by electronic media, including but not limited to electronic mail to the Eligible Person or the Participant(s), such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

Any change of address of the Eligible Person or the Participant(s) shall be communicated in writing to the Company by email or ordinary letter.

BY-LAWS FOR THE LTIP (CONT'D)

23.3 Where any notice which the Company or the LTIP Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Participant(s) (as the case may be) pursuant to the Scheme, the Company or the LTIP Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the Participant(s) (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 23.2 above shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Participant(s), as the case may be.

24. SEVERABILITY

24.1 Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

25. DISCLOSURES IN ANNUAL REPORT

25.1 The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements.

26. SUBSEQUENT LONG TERM INCENTIVE PLAN

26.1 Subject to the approval of Bursa Securities and other relevant authorities, the Company may establish a new long term incentive plan after the expiry date of this scheme or upon termination of this Scheme.

26.2 The Company may implement more than 1 scheme PROVIDED THAT the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

27. GOVERNING LAW AND JURISDICTION

27.1 The Scheme, these By-Laws, all Award(s) awarded and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia.

27.2 The Eligible Persons, by accepting the Award(s) in accordance with these By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

28. THE AWARD

28.1 During the duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each Award(s) awarded to the selected Eligible Person(s) shall be separate and independent from any previous or subsequent Award(s) awarded by the LTIP Committee to that Eligible Person.

28.2 The actual number of the Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law

BY-LAWS FOR THE LTIP (CONT'D)

9. The number of the Shares arising from the vesting of the Award(s) shall not be less than 100 Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of 100 Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in an Award(s) and the terms and conditions of each may differ.
- 28.3 The LTIP Committee shall, in its Award letter to an Eligible Person, state, amongst others:
- (i) the number of the Shares which the Eligible Person shall be entitled upon acceptance of the Award(s);
 - (ii) the Award Date;
 - (iii) the manner of acceptance of the Award(s);
 - (iv) the closing date for acceptance of the Award(s);
 - (v) the Vesting Conditions, if any;
 - (vi) the Vesting Date(s); and
 - (vii) any other terms and conditions deemed necessary by the LTIP Committee.
- 28.4 Under the Scheme, the reference price of the Awards to be awarded will be determined based on the fair value of the Awards, which will take into account, amongst others, the market price of the Shares as at or prior to the award date of the Awards.
- 28.5 Without prejudice to By-Law 14, in the event the Award letter contains any error on the part of the Company in stating any of the particulars in By-Law 28.3 above, as soon as possible but in any event no later than 1 month after discovery of the error, the Company shall issue a supplemental Award letter, stating the correct particulars referred to in By-Law 28.3.

29. ACCEPTANCE

- 29.1 The Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of 30 days from the Award Date (inclusive) or such period as may be determined by the LTIP Committee at its sole discretion on a case to case basis.
- 29.2 The Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of RM1.00 only, as acceptance of the Award(s).
- 29.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of the Award(s).
- 29.4 If the Award(s) is not accepted in the manner as set out in By-Law 29.2 and within the time as set out in By-Law 29.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the Award(s), the Award(s) shall automatically lapse and become null and void. The Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.
- 29.5 Upon acceptance of the Award(s) by the Eligible Person(s), the Award(s) will be vested to the Participant(s) on the Vesting Date(s) during the duration of the Scheme subject to the Participant(s) fulfilling the Vesting Conditions, if any, as determined by the LTIP Committee.
- 29.6 The Participant is not required to pay for the Shares they are entitled to receive upon vesting of the Award(s).

BY-LAWS FOR THE LTIP (CONT'D)

30. VESTING CONDITIONS

- 30.1 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions. The Shares to be issued under the Award(s) shall be vested to the Participant(s) on the Vesting Date once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (i) the Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the Vesting Date; and
 - (ii) any other conditions which are determined by the LTIP Committee.
- 30.2 If applicable, where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the Participant(s) of the number of the Shares vested or which will be vested to him/her on the Vesting Date ("**Vesting Notice**").
- 30.3 No Participant(s) shall have the right to or interest in the Shares under the Award(s) until and unless such number of new Shares are credited into their respective CDS Accounts.
- 30.4 The Participant(s) shall provide all information as required in the Vesting Notice and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within 8 Market Days from the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities,
- (i) allot and issue such number of new Shares and/or transfer the relevant number of existing Shares to the Participant(s) (subject to absolute discretion of the LTIP Committee); and
 - (ii) despatch notices of allotment and/or notice of transfer to the Participant(s) accordingly, if applicable.
- 30.5 The Shares arising from the vesting of the Award(s) shall be credited directly to the CDS Account of the Participant(s) or his Authorised Nominee, and no physical share certificate will be issued and delivered to the Participant(s) or his Authorised Nominee as the case may be. The Participant(s) shall provide the LTIP Committee with his CDS Account number or the CDS Account number of his Authorised Nominee when accepting the Award(s). Any change to the Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.
- 30.6 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the Vesting Notice or inaccuracy in the CDS Account number provided shall result in the Vesting Notice being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the Participant of the rejection of the Vesting Notice within 5 Market Days from the date of rejection and the Participant shall then be deemed not to have vested his/her Award(s).
- 30.7 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant Participant(s) to that effect, to suspend the unvested Award(s) of any Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Participant or are found to have had no basis or justification) pending the outcome of such disciplinary proceedings.
- 30.8 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the Participant's unvested Award(s) having regard to the nature of the charges made or brought against such Participant, PROVIDED ALWAYS THAT:

BY-LAWS FOR THE LTIP (CONT'D)

- (i) in the event such Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the LTIP Committee shall reinstate the unvested Award(s) of such Participant;
- (iii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Participant, all or any part of any unvested Award(s) of the Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the Participant, upon pronouncement of the dismissal or termination of service of such Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Participant in any other forum;
- (iii) in the event the Participant is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the Participant may continue to satisfy the Vesting Conditions of the unvested Award(s).

and nothing herein shall impose any obligations on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

31. NON-TRANSFERABILITY

- 31.1 An Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.
- 31.2 Subject to the provisions in these By-Laws, an Award(s) is personal to the Participant(s) during his/her employment or appointment within the Group and it shall not be transferred, assigned or disposed of by the Participant(s).

32. TERMINATION OF THE AWARD(S)

- 32.1 Prior to the full vesting of any Award(s) in the manner as provided for under By-Law 30.2, such Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
 - (i) termination or cessation of employment of the Participant(s) within the Group for any reason whatsoever, in such event the unvested Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the day the Participant(s)' employer accepts his/her notice of resignation or the Participant(s)' employer notifies the Participant(s) of termination of his/her employment or on the day the Participant(s) notifies his/her employer of his/her resignation or on the Participant(s)' last day of employment, whichever is the earlier; or
 - (ii) bankruptcy of the Participant(s), in such event the unvested Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the date a receiving order is made against the Participant(s) by a court of competent jurisdiction; or
 - (iii) upon the happening of any other event which results in the Participant(s) being deprived of the beneficial ownership of the unvested Award(s), in such event the unvested Award(s) shall be automatically terminated and cease or be deemed to cease

BY-LAWS FOR THE LTIP (CONT'D)

to be valid without any claim against the Company or any company within the Group on the date such event occurs; or

- (iv) winding up or liquidation of the Company, in such event the unvested Award(s) shall be automatically terminated and/or cease to be valid on the following date:
 - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (v) the subsidiary which employs the Participant(s) ceasing to be part of the Group in such event the Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the Group; or
- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the unvested Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the termination date,

whichever shall be applicable.

32.2 Upon the termination of the unvested Award(s) pursuant to By-Laws 32.1 above, the Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any Award(s) or his/her Award(s) ceasing to be valid.

32.3 Notwithstanding By-Law 32.1(i) above, the LTIP Committee may at its discretion allow for all or any part of any unvested Award(s) to vest in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (ii) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (iii) ill-health, injury, physical or mental disability; or
- (iv) redundancy or retrenchment pursuant to the acceptance by that Participant(s) or a voluntary separation scheme offered by a company within the Group; or
- (v) any other circumstance as may be deemed as acceptable to the LTIP Committee in its sole discretion,

PROVIDED THAT no Award(s) shall vest after the expiry of the vesting period. Unless the LTIP Committee in its discretion permits such vesting in accordance with this By-Law 32.3, any unvested Award(s) shall cease or be deemed to cease to be capable of vesting to the Participant(s) without any liability or right to claim against the Company and/or the LTIP Committee and/or the Board.

32.4 Where a Participant(s) dies before the expiry of the vesting period for the Award(s), the LTIP Committee may at its discretion determine that all or any part of any unvested Award(s) held by the Participant(s), be vested to the executor or administrator of that deceased Participant(s),

BY-LAWS FOR THE LTIP (CONT'D)

and the times or periods at or within which such Award(s) may vest, PROVIDED ALWAYS THAT no Award(s) may vest after the expiry of the vesting period. In this regard, the LTIP Committee may require the executor or administrator of that deceased Participant(s) to provide evidence satisfactory to the LTIP Committee of his status as such executor or administrator, as the case may be.

- 32.5 Notwithstanding By-Law 32.4 above, the Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of 18 years at the time of nomination to receive the Award(s) (which are unvested at the time of the death of the deceased Participant(s)) after the death of the deceased Participant(s) but in any event during the duration of the scheme. The Award(s) awarded pursuant to the provision of this By-Law 32.5 may be for the benefit of the estate of the Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the Participant(s) during his/her lifetime and shall be in the prescribed form approved by the LTIP Committee and the Shares to be allotted and issued will be in the name of the deceased Participant(s)'s estate or in the name of the nominated person as the Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the Participant(s) during his/her lifetime, the LTIP Committee may at its discretion determine that his/her unvested Award(s) shall only vested to the legal personal representatives pursuant to By-Law 32.4 above.
- 32.6 For the purposes of By-Law 32.5 above, the term "immediate family members" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the Participant(s).

FURTHER INFORMATION

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 in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST

The written consent of KAF IB, being the Principal Adviser for the Proposed LTIP Allocations, for the inclusion of its name and all references thereto in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

KAF IB is not aware of any conflict of interest which exist or is likely to exist in relation to its role as the Principal Adviser for the Proposed LTIP Allocations.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no other material commitments incurred or known to be incurred by the KPJ Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of the KPJ Group:

	<u>Amount</u> <u>(RM'000)</u>
Approved by the Directors and contracted	156,701
Approved by the Directors and not contracted	44,393
Total	<u>201,094</u>

4. CONTINGENT LIABILITIES

There are no contingent liabilities incurred or known to be incurred by the KPJ Group as at the LPD, which upon becoming due or enforceable, may have a material impact on the financial position or business of the KPJ Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the KPJ Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:

On 19 January 2024, KPJ and its wholly-owned subsidiary, KPJSB, (collectively, the "**Plaintiffs**") commenced and filed a writ action at the High Court of Malaya at Kuala Lumpur vide Civil Suit No. WA-22NCC-41-01/2024 against the following former members of the Board of KPJ and KPJSB (the "**Defendants**"):

- (i) Dato' Kamaruzzaman bin Abu Kassim;
- (ii) Dato' Amiruddin bin Abdul Satar;
- (iii) Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir;
- (iv) Datuk Azzat bin Kamaludin;
- (v) Dato' Dr. Zaki Morad bin Mohamad Zaher;
- (vi) Zainah bt Mustafa;
- (vii) Dr. Kok Chin Leong;

FURTHER INFORMATION (CONT'D)

- (viii) Zulkifli bin Ibrahim;
- (ix) Mohd Sahir bin Rahmat,
- (x) Aminudin bin Dawam; and
- (xi) Jasimah binti Hassan.

The suit concerns the alleged breach of fiduciary and/or statutory duties owed to the Plaintiffs and failure to exercise reasonable care and diligence in connection with the sale of 49% shares of KPJSB's subsidiary, Lablink (M) Sdn. Bhd. ("**Lablink**") by KPJSB to KL Kappa Sdn. Bhd. ("**KL Kappa**") in 2018.

The Plaintiffs are seeking, among others, the following reliefs:

- (i) a declaration that the Defendants have breached the fiduciary duties and/or statutory duties to the Plaintiffs;
- (ii) further and/or alternatively, a declaration that the Defendants were negligent;
- (iii) consequent to the reliefs at (i) and (ii) above, the order that the Defendants, jointly and severally, pay:
 - (a) compensation for losses suffered by KPJSB comprising:
 - (I) RM68,690,684.74 to RM73,590,684.74 due to the undervaluation arising from the effective consideration paid by KL Kappa for the subscription of shares; and
 - (II) RM17,279,774.00 to RM22,179,774.00 due to the undervaluation from the sale price.
 - (b) damages for breach of the fiduciary duties and/or breach of statutory duties and/or negligence, as assessed by the court within 14 days from the date of the order is made;
 - (c) interests on all day or any of the amount of loss and/or damages as adjudged at the rate of 5% per annum or any other rate as determined by the court for such time and for such period the court sees fit, be payable by the Defendants to KPJ and/or KPJSB;
 - (d) liberty to apply to the court;
 - (e) costs; and/or
 - (f) such further, consequential and/or other reliefs the court deems fit.

The solicitors of KPJ are of the view that they do not contemplate a counterclaim being filed by any of the Defendants against the Plaintiffs. However, as the suit is still in its early stages and pending the disposal of the interlocutory applications filed by the Defendants to strike out the Plaintiffs' claim, the solicitors are unable to predict how the suit will evolve.

Barring any unforeseen circumstances, the suit is not expected to have any material financial and operational impact to KPJ and KPJSB for the financial year ending 31 December 2025.

FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 13, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia during business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) the Constitution of KPJ;
- (ii) the audited financial statements of KPJ for the past two (2) FYEs 31 December 2022 and 2023;
- (iii) the unaudited financial statements of KPJ for the financial period ended 30 September 2024;
- (iv) the letters of consent and declaration of conflict of interests referred to in Section 2 of the **Appendix II** of this Circular; and
- (v) the By-Laws in relation to the LTIP as referred to in **Appendix I** of this Circular.

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KPJ healthcare

A JCORP Company

KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (247079-M))

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of KPJ Healthcare Berhad (“**KPJ**” or the “**Company**”) will be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Friday, 28 February 2025 at 3:00 p.m., or any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION 1

THE PROPOSED ALLOCATION OF MAXIMUM OF UP TO 3,000,000 OF EXISTING ORDINARY SHARES OF KPJ (“SHARES”) TO CHIN KEAT CHYUAN, THE PRESIDENT AND MANAGING DIRECTOR OF KPJ, UNDER THE LONG TERM INCENTIVE PLAN OF KPJ

“**THAT** subject to the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board of Directors of KPJ to authorise the Long Term Incentive Plan (“**LTIP**”) Committee to grant to Chin Keat Chyuan, the President and Managing Director, from time to time throughout the duration of the LTIP, provided always that:

- (i) he does not participate in the deliberation or discussion of his own allocation of the number of Shares comprised in the LTIP Award(s) under the LTIP to be offered to him as well as that of the interested persons connected with them within the meaning of the Listing Requirements;
- (ii) not more than 10% of the new KPJ Shares which may be made available under the LTIP shall be allocated to him, if he, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) to him, holds 20% or more of the total number of issued shares of KPJ (excluding treasury shares), if any; and
- (iii) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time.”

By Order of the Board

Keh Ching Tyng (MAICSA 7050134)
(SSM Practising Certificate 202008002616)
Hana binti Ab Rahim @ Ali (MAICSA 7064336)
(SSM Practising Certificate 202408000758)
Company Secretaries

Kuala Lumpur, Malaysia
6 February 2025

NOTES:

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 21 February 2025 shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the EGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the EGM, is entitled to appoint a proxy or attorney or in the case of a corporation, a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the EGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("**Proxy Form**").
7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner, and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the EGM:-

(a) In hard copy form

In the case of appointment made in hard copy form, the Proxy Form must be deposited with the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Drop-in box at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) By electronic form

The Proxy Form can be electronically lodged with the poll administrator of the Company via TIIH Online website at <https://tiih.online>. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via TIIH Online.

8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
9. Last date and time for lodging the Proxy Form is **Wednesday, 26 February 2025 at 3:00 p.m.**
10. Any authority pursuant to which such appointment is made by a power of attorney must be deposited at the office of the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Drop-in box at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at <https://tiih.online> at least forty-eight (48) hours before the time appointed for holding the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. For a corporate member who has appointed a representative, please deposit the certificate of appointment at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Drop-in box at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at <https://tiih.online>. The certificate of appointment should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment is to be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one (1) shall be a director; or
 - (ii) any director and/or authorised officer(s) in accordance with the laws of the country under which the corporate member is incorporated.

PROXY FORM

*I/We

Full Name (in Block and as per NRIC/Passport/Certificate of Incorporation):	CDS account No.:	No. of shares held:
Address:	NRIC No./ Passport No./Registration No.:	Contact No.:

being a member of KPJ Healthcare Berhad (Registration No. 199201015575 (247079-M)) (the "Company"), do hereby appoint:

Full Name (in Block and as per NRIC/Passport):	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*and / or

Full Name (in Block and as per NRIC/Passport):	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing *him/her, the Chairman of the meeting as *my/our proxy to participate and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its TIH Online website at <https://tjih.online> or <https://tjih.com.my> (Domain registration number with MYNIC: D1A282781) on Friday, 28 February 2025 at 3.00 p.m. or any adjournment thereof.

No.	Ordinary resolution 1	For	Against
1	Proposed Long Term Incentive Plan Allocations		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy shall vote or abstain from voting at his/her discretion)

* Strike out whichever is not applicable

Signed this _____ day of _____ 2025

Signature and/or Seal

NOTES:

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1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 21 February 2025 shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the EGM.

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3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the EGM.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("Proxy Form").

7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner, and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the EGM:-

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- (i) at least two (2) authorised officers, of whom one (1) shall be a director; or
- (ii) any director and/or authorised officer(s) in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX
STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE, AVENUE 3
BANGSAR SOUTH
NO. 8, JALAN KERINCHI
59200 KUALA LUMPUR
MALAYSIA

2nd Fold Here

Fold This Flap For Sealing
