

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed by KAF Investment Bank Berhad, the Adviser to Genetec Technology Berhad for the Proposed New ESOS (as defined herein).

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

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed New ESOS as set out herein.

Genetec Technology

GENETEC TECHNOLOGY BERHAD
Registration No.: 199701030038 (445537-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME INVOLVING THE ISSUANCE OF NEW ORDINARY SHARES IN GENETEC TECHNOLOGY BERHAD ("GENETEC" OR "COMPANY") REPRESENTING UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARES OF GENETEC (EXCLUDING TREASURY SHARES, IF ANY) TO ELIGIBLE DIRECTORS AND EMPLOYEES OF GENETEC AND ITS SUBSIDIARIES ("PROPOSED NEW ESOS")

Adviser



Notice of the Extraordinary General Meeting ("EGM") of Genetec to be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-Second Annual General Meeting ("22nd AGM") to be held at the same venue on the same day at 9.30 a.m., whichever is later, and at any adjournment thereof, together with the Proxy Form are enclosed herewith.

As a shareholder, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH online website at <https://tiih.online> (For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Guide), not less than forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting at the meeting should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Proxy Form : Tuesday, 25 August 2020 at 10.30 a.m.
Date and time for the EGM : Thursday, 27 August 2020 at 10.30 a.m. or immediately after the conclusion of the Company's 22nd AGM, whichever is later

This Circular is dated 27 July 2020

DEFINITIONS

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

“Board”	:	Board of Directors of Genetec
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Circular”	:	This circular dated 27 July 2020 to the shareholders of Genetec
“Date of Offer”	:	Date on which an Offer is made by the New ESOS Committee to an Eligible Person pursuant to the Proposed New ESOS
“Director(s)”	:	A person falling within the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, which includes:- <ul style="list-style-type: none">(a) a person occupying or acting in the position of director of a corporation, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in, the position;(b) a person in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or(c) an alternate or substitute director(d) in the case of a corporation formed or incorporated or existing outside Malaysia:-<ul style="list-style-type: none">(i) a member of the corporation’s board of directors or governing body;(ii) a person occupying or acting in the position of a member of the corporation’s board, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in the position; or(iii) a person in accordance with those directions or instructions the members of the corporation’s board are accustomed to act.
“Effective Date”	:	The implementation date of the Proposed New ESOS, which shall be determined and fixed subsequent to the expiry date of the Existing ESOS and upon full compliance with all relevant requirements of the ACE Market Listing Requirements of Bursa Securities, including the approvals and/or conditions referred to in the New By-Laws hereof having been obtained and/or complied with
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per Share
“Eligible Person(s)”	:	All eligible Directors and employees of the Group (save for the dormant subsidiaries) who meet the eligibility criteria for participation in the Proposed New ESOS in accordance with the New By-Laws
“ESOS”	:	Employees’ Share Option Scheme
“Existing ESOS”	:	Existing ESOS of Genetec, which shall expire on 29 September 2020
“ESOS Option(s)”	:	Options granted under the Proposed New ESOS
“Genetec” or the “Company”	:	Genetec Technology Berhad
“Genetec Group” or “Group”	:	Genetec and its subsidiaries
“Genetec Share(s)” or “Share(s)”	:	Ordinary shares in the Company
“Grantee(s)”	:	The Eligible Person who has accepted the Offer in accordance with the New By-Laws

DEFINITIONS (CONT'D)

“Interested Directors”	:	All the Directors of Genetec who will participate in the Proposed New ESOS and are therefore deemed interested in the Proposed New ESOS
“KAF IB”	:	KAF Investment Bank Berhad
“LPD”	:	29 June 2020, being the latest practicable date prior to the printing of this Circular
“MFRS”	:	Malaysian Financial Reporting Standard
“Maximum Scenario”	:	Assuming all the Outstanding Options are exercised into new Genetec Shares prior to the implementation of the Proposed New ESOS
“Minimum Scenario”	:	Assuming none of the Outstanding Options are exercised into new Genetec Shares prior to the implementation of the Proposed New ESOS
“NA”	:	Net assets
“New By-Laws”	:	By-laws governing the Proposed New ESOS
“New ESOS Committee”	:	A committee to be duly appointed and authorised by the Board to administer the Proposed New ESOS
“Non-Executive Director”	:	A Director in a non-executive capacity and does not participate in the day-to-day management of the Group
“Offer”	:	A written offer, made by the New ESOS Committee from time to time to the Eligible Persons to participate in the Proposed New ESOS in the manner indicated in the New By-Laws
“Outstanding Options”	:	1,419,300 outstanding options granted under the Existing ESOS
“Proposed New ESOS”	:	The proposed establishment of a new ESOS involving the issuance of new Genetec Shares representing up to fifteen percent (15%) of the total number of issued shares of Genetec (excluding treasury shares, if any), at any point in time during the duration of the Proposed New ESOS, for the Eligible Persons
“Proposed Granting of ESOS Options”	:	The proposed granting of ESOS Options to Hew Voon Foo, Teh Kim Seng, Chin Kem Weng, Sow Ewe Lee and Tan Moon Teik
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Subscription Price”	:	The price at which the Grantee shall be entitled to subscribe for the new Share pursuant to the exercise of the ESOS Options granted in accordance with the New By-Laws

Words denoting the singular number only shall include the plural and also 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). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**

Genetec Technology

GENETEC TECHNOLOGY BERHAD
Registration No.: 199701030038 (445537-W)
(Incorporated in Malaysia)

Registered Office:

Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia

27 July 2020

BOARD OF DIRECTORS

Hew Voon Foo (Chairman, Independent Non-Executive Director)
Teh Kim Seng (Independent Non-Executive Director)
Chin Kem Weng (Managing Director)
Sow Ewe Lee (Executive Director)
Tan Moon Teik (Executive Director)

To: The Shareholders of Genetec

Dear Sir/Madam,

PROPOSED NEW ESOS

1. INTRODUCTION

On 19 June 2020, KAF IB had, on behalf of the Board, announced that the Company proposed to establish a new ESOS involving the issuance of new Shares representing up to fifteen percent (15%) of the total number of issued shares of Genetec (excluding treasury shares, if any) to the Eligible Persons.

On 10 July 2020, KAF IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 9 July 2020, resolved to approve the listing of such number of additional new Genetec Shares, representing up to fifteen percent (15%) of the total number of issued shares of Genetec (excluding treasury shares, if any), to be issued pursuant to the exercise of ESOS Options under the Proposed New ESOS on the ACE Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 5 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF GENETEC WITH THE DETAILS OF THE PROPOSED NEW ESOS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSED NEW ESOS AND PROPOSED GRANTING OF ESOS OPTIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED NEW ESOS AND THE PROPOSED GRANTING OF ESOS OPTIONS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED NEW ESOS

2.1 Details of the Proposed New ESOS

Genetec proposes to establish and implement the Proposed New ESOS which involves the granting of ESOS Options to all Eligible Persons, which shall be entitled to subscribe for new Genetec Shares at a pre-determined price in accordance with the New By-Laws. The decisions as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed New ESOS and whether the ESOS Options granted will be subjected to a vesting period will be determined by the New ESOS Committee.

2.2 Implementation and Effective Date

The Proposed New ESOS serves to replace the Existing ESOS which shall expire on 29 September 2020. For the avoidance of doubt, the Effective Date of the Proposed New ESOS shall be determined and fixed subsequent to the expiry date of the Existing ESOS and upon full compliance with all relevant requirements of the ACE Market Listing Requirements of Bursa Securities.

The details of the Existing ESOS is disclosed in the Appendix I of this Circular.

2.3 Maximum number of Genetec Shares available under the Proposed New ESOS

The maximum number of new Genetec Shares to be issued pursuant to the exercise of the ESOS Options that may be granted under the Proposed New ESOS shall not exceed fifteen percent (15%) of the total number of issued shares of Genetec (excluding treasury shares, if any) at any one time throughout the tenure of the Proposed New ESOS.

2.4 Maximum allowable allotment and ESOS allocation

The maximum number of new Genetec Shares comprised in the ESOS Options that may be offered to the Eligible Persons under the Proposed New ESOS shall be at the sole discretion of the New ESOS Committee after taking into consideration, where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Persons, subject to the following: -

- (i) the Directors and senior management of Genetec Group do not participate in the deliberation or discussion in respect of their own allocation of the ESOS Options;
- (ii) not more than 70% of the total number of Genetec Shares to be issued under the Proposed New ESOS shall be allocated, in aggregate, to Directors and senior management of the Group; and
- (iii) not more than ten percent (10%) of the total number of new Genetec Shares to be issued under the Proposed New ESOS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of Genetec (excluding treasury shares, if any).

2.5 Eligibility to Participate in the Proposed New ESOS

Any employee or Director of Genetec Group shall be eligible to be considered for the offer of the ESOS Options provided that as at the Date of Offer: -

- (i) the employee of Genetec Group:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) is confirmed in writing as a full time employee and has been in the employment of Genetec Group for a period of at least six (6) months of continuous service prior to and up to the Date of Offer, including service during the probation period; and

- (d) in the case of an employee who is the chief executive officer of Genetec and persons connected with him, the specific allocation of new Shares to such employee or persons connected with him under the ESOS Options has been approved by the shareholders of Genetec at a general meeting PROVIDED ALWAYS THAT such employee and persons connected to him shall not have voted on the resolution approving their respective allocation.
- (ii) the Director of Genetec Group:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) has been appointed as a Director (and not as an alternate Director) of a company within Genetec Group for a period of at least six (6) months; and
 - (d) in the case of a Director who is also the chief executive officer or a major shareholder of Genetec and persons connected with them, the specific allocation of new Shares to such Director or persons connected with them under the ESOS Options has been approved by the shareholders of Genetec at a general meeting PROVIDED ALWAYS THAT such Director and persons connected to them shall not have voted on the resolution approving their respective allocation.

The selection of any Eligible Person for participation in the Proposed New ESOS shall be at the discretion of the New ESOS Committee, the decision of which shall be final and binding.

Aside from the conditions above and any other condition to be imposed by the New ESOS Committee from time to time, an Eligible Person is not subject to meet any other condition and/or performance target to be eligible to participate in the Proposed New ESOS.

2.6 Duration of the Proposed New ESOS

The Proposed New ESOS shall be in force for a duration of five (5) years commencing from the Effective Date. The Proposed New ESOS may be extended for a further five (5) years at the discretion of the Board upon the recommendation of the New ESOS Committee, subject to an aggregate of ten (10) years from the Effective Date.

2.7 Basis of determining the Subscription Price

Subject to any adjustment(s) that may be made in accordance with the New By-Laws, the price payable for the subscription of new Genetec Shares upon the exercise of the ESOS Options shall be determined by the New ESOS Committee at its sole discretion based on the five (5)-day volume weighted average market price of Genetec Shares immediately prior to the Date of Offer, with a discount of not more than ten percent (10%) thereon, if deemed appropriate.

2.8 Ranking of the new Genetec Shares to be issued under the Proposed New ESOS

All the new Genetec Shares to be allotted and issued upon exercise of the ESOS Options shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Genetec Shares, save and except that the new Genetec Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of issuance of such new Genetec Shares.

2.9 Retention Period

All Shares credited pursuant to the Proposed New ESOS shall not be subject to any retention period, except for any participating Non-Executive Directors of the Group, if so allocated, who must not sell, transfer or assign their Shares obtained through the exercise of ESOS Options within one (1) year from the Date of Offer or such period as may be prescribed by Bursa Securities.

2.10 Listing of Shares

Bursa Securities had, vide its letter dated 9 July 2020, approved the listing of and quotation for such number of new Genetec Shares, representing 15% of the total number of issued Shares (excluding treasury shares, if any), at any point in time, to be issued pursuant to the exercise of the ESOS Options on the ACE Market of Bursa Securities, subject to the terms and conditions as set out in Section 5(i) of this Circular.

2.11 Utilisation of Proceeds

The proceeds to be received by the Company pursuant to the exercise of the ESOS Options would be dependent on the number of ESOS Options granted, vested and exercised at the relevant point in time and the associated Subscription Price. As such:-

- (i) the quantum of proceeds to be received from the exercise of the ESOS Options cannot be determined at this juncture. However, the proceeds arising from the exercise of the ESOS Options will be utilised for the Group's working capital requirements (such as staff related costs and utilities charges), future capital expenditure to be identified and/or servicing the bank borrowings of the Group (with an outstanding balance of RM14.97 million as at the LPD), as and when the proceeds are received throughout the duration of the Proposed New ESOS, as the Board may deem fit; and
- (ii) the proceeds to be utilised for each component of the working capital requirements and annual interest savings in connection with the servicing of the Group's bank borrowings, including the associated timeframe for utilisation, also cannot be determined at this juncture.

Pending the utilisation of proceeds to be received from the exercise of the ESOS Options, such proceeds will be placed in interest-bearing accounts with licensed financial institutions or short-term money market instruments as the Board deems fit.

The estimated expenses for the Proposed New ESOS are approximately RM100,000 which will be funded from the internally generated funds of Genetec.

3. RATIONALE FOR THE PROPOSED NEW ESOS

The Proposed New ESOS serves to replace the Existing ESOS, which shall expire on 29 September 2020, and allow Genetec to establish a new ESOS as a continuation of its total remuneration package to motivate, reward and retain the Eligible Persons.

The Proposed New ESOS serves to:-

- (i) motivate, retain and reward the Eligible Persons, who would be given the opportunity to participate in the equity of Genetec and thereby, relate directly to the performance of the Group;
- (ii) provide a continuing incentive to the Eligible Persons without adversely affecting the cash flow of the Group whilst at the same time contributing positively to its continuing growth through the intended stimulation of greater commitment, productivity and efforts on the part of the Eligible Persons towards the Group; and
- (iii) reward the contributions of the Non-Executive Directors, whose services are vital to the continuous growth of the Group, and who are responsible for the overall strategic plans, business conduct and control of the Group's activities, albeit in non-executive capacities.

4. EFFECTS OF THE PROPOSED NEW ESOS

4.1 Share Capital

As at the LPD, the Company does not have any treasury shares. The Proposed New ESOS will not have any immediate effect on the issued share capital of Genetec. However, the issued share capital of Genetec will increase if and when the granted ESOS Options are exercised during its tenure, whereby any such increase will depend on the number of ESOS Options exercised and the number of new Shares issued pursuant thereto.

For illustration purposes, the effects of the Proposed New ESOS on the issued share capital of Genetec as at the LPD are as follows: -

	Minimum Scenario		Maximum Scenario	
	No of Shares	Total Value (RM)	No of Shares	Total Value (RM)
Issued share capital as at the LPD	42,556,300	63,486,070	42,556,300	63,486,070
To be issued pursuant to the exercise of the Outstanding Options	-	-	1,419,300	⁽¹⁾ 2,292,170
	42,556,300	63,486,070	43,975,600	65,778,240
To be issued pursuant to full exercise of the ESOS Options ⁽²⁾	6,383,445	⁽³⁾ 7,915,472	6,596,340	⁽³⁾ 8,179,462
Enlarged issued share capital	48,939,745	71,401,542	50,571,940	73,957,702

Notes:-

- (1) After adjusting for full exercise of all Outstanding Options into 1,419,300 new Shares at the exercise price of RM1.01 per Share and the fair value per Outstanding Option at grant date of RM0.605.
- (2) Computed based on 15% of the total number of issued share capital of Genetec as at the LPD (Minimum Scenario) and after full exercise of the Outstanding Options (Maximum Scenario).
- (3) For the purpose of illustration, these figures are computed based on the number of Shares to be issued pursuant to full exercise of the ESOS Options under the Proposed New ESOS and an assumed exercise price of RM1.24 based on a discount of approximately 9.42% to the 5-day weighted average market price of the Shares as traded on the ACE Market of Bursa Securities up to and including the LPD of RM1.3689.

4.2 NA per Share and Gearing

Save for the potential impact of the MFRS 2 on share-based payment as described in Section 4.3 of this Circular, the Proposed New ESOS is not expected to have any immediate effect on the NA, NA per Share and gearing of the Group until such time new Shares are issued upon exercise of the ESOS Options under the Proposed New ESOS, if any. Any effects will depend on the actual number of ESOS Options exercised and the associated Subscription Prices.

Upon exercise of the ESOS Options, the NA per Share is expected to:-

- increase if the Subscription Price is higher than the NA per Share; or
- decrease if the Subscription Price is lower than the NA per Share,

at the material point of exercise of the ESOS Options.

4.3 Earnings & EPS

The Proposed New ESOS is expected to have an effect on the consolidated EPS of the Company mainly due to the dilutive effect upon the exercise of ESOS Options and the anticipated recognition of cost in relation to the ESOS Options to be granted under the Proposed New ESOS pursuant to MFRS 2. In accordance with MFRS 2, the cost arising from the offering of the ESOS Options is required to be measured at the Date of Offer based on the fair value of the ESOS Options offered and recognised as an expense over the vesting period of the ESOS Options. The quantum of such impact cannot be reliably ascertained at this point in time as such effects on the earnings of the Company are dependent on, inter-alia, the number of ESOS Options to be granted and accepted and the discount, if any, attached to the Subscription Price of the ESOS Options and the theoretical fair value of such ESOS Options. It is important to note that the estimated cost does not represent a cash outflow by the Company as it is merely an accounting treatment in the statement of comprehensive income of Genetec over the vesting period of such ESOS Options.

The Board will take into consideration the potential impact of MFRS 2 on the Group's future earnings and EPS in making any offer of ESOS Options to the Eligible Persons.

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4.4

Substantial Shareholders' Shareholdings

The Proposed New ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings in the Company. Dilution of the shareholdings of the substantial shareholders of the Company arising from the Proposed New ESOS will depend on the number of ESOS Options granted and exercised at any point in time.

The effects of the Proposed New ESOS on the substantial shareholders' shareholdings of Genetec are as follows: -

<u>Minimum Scenario</u>	Existing as at LPD		(1) After full exercise of ESOS		Options under the Proposed New ESOS		%
	No. of Shares	%	Direct	Indirect	Direct	Indirect	
KVC Corporation Sdn. Bhd.	4,564,000	10.72	-	-	4,564,000	9.33	-
Chin Kem Weng	3,652,505	8.58	-	-	3,652,505	7.46	-
Tan Moon Teik	2,347,600	5.52	-	-	2,347,600	4.80	-
Chen Khai Voon	2,174,500	5.11	(2) 4,564,000	10.72	2,174,500	4.44	(2) 4,564,000 9.33

<u>Maximum Scenario</u>	Existing as at LPD		(I) After full exercise of all Outstanding Options		(II) After (I) and full exercise of ESOS Options under the Proposed New ESOS		%
	Direct	%	Direct	Indirect	Direct	Indirect	
KVC Corporation Sdn. Bhd.	4,564,000	10.72	-	-	4,564,000	9.02	-
Chin Kem Weng	3,652,505	8.58	-	-	(3) 4,032,505	7.97	-
Tan Moon Teik	2,347,600	5.52	-	-	(3) 2,697,600	5.33	-
Chen Khai Voon	2,174,500	5.11	(2) 4,564,000	10.72	2,174,500	4.30	(2) 4,564,000 9.02

Notes:-

- (1) Assuming no provision has been made for the allocation of ESOS Options to the substantial shareholders who are also the Directors of the Company as the Board has yet to decide on the quantum of ESOS Options to be allocated to the Directors of the Company.
- (2) Deemed interested held through KVC Corporation Sdn. Bhd.
- (3) Assuming Chin Kem Weng and Tan Moon Teik fully exercised their respective holdings as at LPD of 380,000 and 350,000 Outstanding Options.

4.5 Existing Convertible Securities

Save for the Outstanding Options, Genetec does not have any other convertible securities as at the LPD. The Proposed New ESOS will not have any effect on the exercise price and number of the Existing ESOS.

5. APPROVALS REQUIRED

The Proposed New ESOS is subject to the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for such number of new Genetec Shares to be issued pursuant to the exercise of the ESOS Options under the Proposed New ESOS on the ACE Market of Bursa Securities, the approval of which has been obtained on 9 July 2020 subject to the following condition:-

No.	Conditions	Status of Compliance
1.	KAF IB is required to submit confirmation to Bursa Securities of full compliance of the Proposed New ESOS pursuant to Rule 6.44(1) of the ACE Market Listing Requirements and stating the Effective Date together with a certified true copy of the resolution passed by the shareholders in general meeting.	To be complied
2.	Genetec is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the Proposed New ESOS, at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) shareholders of Genetec at the EGM to be convened for the Proposed New ESOS; and

- (iii) other relevant authorities (if required).

The Proposed New ESOS is not conditional upon any other proposals undertaken or to be undertaken by the Company.

6. HISTORICAL MARKET PRICES

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

	Highest (RM)	Lowest (RM)
<u>2019</u>		
July	1.22	1.16
August	1.20	1.05
September	1.11	1.05
October	1.20	1.06
November	1.15	1.05
December	1.08	1.03
<u>2020</u>		
January	1.32	1.06
February	1.67	1.28
March	1.43	1.05
April	1.20	1.12
May	1.45	1.18
June	1.32	1.60

(Source: Bloomberg)

The last transacted price of Genetec Shares on 18 June 2020, being the date immediately before the announcement of the Proposed New ESOS on 19 June 2020 was RM1.46 per Share.

The last transacted price of Genetec Shares on 29 June 2020, being the LPD of this Circular was RM1.33 per Share.

7. INTERESTS OF THE DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

All of the Directors of Genetec will participate in the Proposed New ESOS and are therefore deemed interested to the extent of their respective allocations under the Proposed New ESOS. Accordingly, the Interested Directors of Genetec have deliberated and voted on the Proposed New ESOS as a whole at the relevant Board meetings. Nevertheless, the Interested Directors have and will continue to abstain from all Board deliberations relating to the respective proposed allocation of ESOS Options to themselves and persons connected to them.

The Interested Directors also undertake to ensure that they and persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in Genetec, on the relevant resolutions pertaining to the respective proposed allocation of ESOS Options to themselves and persons connected to them at the EGM to be convened.

As at the LPD, the direct and indirect shareholdings of the Directors of Genetec are as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
	Held		Held	
<u>Directors</u>				
Chin Kem Weng	3,652,505	8.58	-	-
Tan Moon Teik	2,347,600	5.52	-	-
Hew Voon Foo	100,000	0.23	-	-
Sow Ewe Lee	200,000	0.47	-	-
Teh Kim Seng	100,000	0.23	-	-

Moving forward, in the event if any newly appointed Director of the Company and/or persons connected with him/her are entitled to participate in the Proposed New ESOS, such Director will abstain from deliberating and voting at all relevant Board meeting(s) in relation to his/her respective allocations as well as allocations to persons connected to him/her, if any, under the Proposed New ESOS.

Save as disclosed above, none of the Directors of Genetec and/or persons connected with them have any interest, direct or indirect, in the Proposed New ESOS.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed New ESOS, including but not limited to the rationale and effect of the Proposed New ESOS, is of the opinion that the Proposed New ESOS is in the best interest of the Group and accordingly, on the basis above, the Board recommends you to vote in favour of the resolution to be tabled at the forthcoming EGM in relation to the Proposed New ESOS. In respect of the Proposed Granting of ESOS Options, all the Interested Directors who are eligible to participate in the Proposed New ESOS have abstained from expressing an opinion and making any recommendation in relation to their respective proposed allocations of themselves and person connected to them.

9. OUTSTANDING CORPORATE EXERCISES

Save for the Proposed New ESOS which is the subject matter of this Circular, there are no other intended corporate exercises/scheme which have been announced but yet to be completed by the Group prior to the printing of this Circular.

10. TIME FRAME FOR COMPLETION OF THE PROPOSED NEW ESOS

Subject to the approval as set out in Section 5 of this Circular and barring any unforeseen circumstances, the Proposed New ESOS is expected to be completed by the 4th quarter of 2020.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-Second Annual General Meeting to be held at the same venue on the same day at 9.30 a.m., whichever is later, and at any adjournment thereof, for the purpose of considering and, if thought fit, passing the relevant resolutions pertaining to the Proposed New ESOS and the Proposed Granting of ESOS Options.

The voting on the resolutions at the forthcoming EGM will be by poll. As a shareholder, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH online website at <https://tiih.online> (*For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Guide*), not less than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting at the meeting should you subsequently wish to do so.

12. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
GENETEC TECHNOLOGY BERHAD

HEW VOON FOO
Independent Non-Executive Chairman

INFORMATION ON THE EXISTING ESOS

Implementation date : 30 September 2010

Duration of scheme : Ten (10) years

Expiry date : 29 September 2020

Maximum number of new Shares available under Existing ESOS : The maximum number of new Shares to be allotted and issued under the Existing ESOS shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of Genetec at any point throughout the duration of the Existing ESOS.

Number of options offered under the Existing ESOS	Employees of Genetec Group	Directors and Senior Management of Genetec Group	Total
Total number of Existing ESOS options granted as at the LPD	3,493,600	1,830,000	5,323,600
Total number of options exercised as at the LPD	2,933,400	900,000	3,833,400
Total number of options forfeited as at the LPD	70,900	-	70,900
Total number of outstanding Existing ESOS options as at the LPD	489,300	930,000	1,419,300

Maximum allocation to Directors and senior management since commencement of the Existing ESOS : As at the LPD, about 34.38% or 1,830,000 options under the Existing ESOS have been offered and accepted by the Directors and senior management of Genetec Group

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DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS**1. NAME OF SCHEME**

This Scheme shall be called the “**Genetec ESOS 2020**”.

2. RATIONALE OF THE SCHEME

The Proposed New ESOS serves to:-

- (i) motivate, retain and reward the Eligible Persons, who would be given the opportunity to participate in the equity of Genetec and thereby, relate directly to the performance of the Group;
- (ii) provide a continuing incentive to the Eligible Persons without adversely affecting the cash flow of the Group whilst at the same time contributing positively to its continuing growth through the intended stimulation of greater commitment, productivity and efforts on the part of the Eligible Persons towards the Group; and
- (iii) reward the contributions of the Non-Executive Directors, whose services are vital to the continuous growth of the Group, and who are responsible for the overall strategic plans, business conduct and control of the Group’s activities, albeit in non-executive capacities.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, unless otherwise specified, the following definitions shall, where the context so admits, be deemed to have the following meanings:-

“ Act ”	:	Companies Act 2016 as amended from time to time
“ Adviser ”	:	A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007 to act as a Principal Adviser as defined in the Securities Commission’s Principal Adviser Guidelines
“ Auditor ”	:	An approved company auditor as defined in Section 263 of the Act, of the Company for the time being or such other external auditors as may be nominated by the Board
“ Board ”	:	The Board of Directors of Genetec for the time being
“ Bursa Depository ”	:	Bursa Malaysia Depository Sdn Bhd
“ Bursa Securities ”	:	Bursa Malaysia Securities Berhad
“ By-Laws ”	:	The terms and conditions of the Scheme (as may be amended from time to time and to be adopted pursuant to By-Law 19)
“ CDS ”	:	A Central Depository System governed under the Central Depositories Act, as amended from time to time
“ CDS Account ”	:	An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
“ Central Depositories Act ”	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time
“ Constitution ”	:	Constitution of the Company, as may be amended from time to time
“ Date of Allocation ”	:	A date to be determined by the ESOS Committee to be the date on which an Employee is deemed eligible to participate in the Scheme

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

“Date of Commencement”	:	The date of commencement of the Scheme being the date of full compliance with all relevant requirements as stated in By-Law 22
“Date of Expiry”	:	The last day of an Option Period
“Date of Offer”	:	The date of the Offer Letter, as described in By-Law 7.3, being the date on which a Selected Person is deemed to have been notified of an Offer by the ESOS Committee
“Director”	:	A natural person who holds a directorship in an executive or non-executive capacity in Genetec Group
“Duration of the Scheme”	:	The duration of the Scheme as defined in By-Law 22 and includes any extension or renewal thereof
“Eligible Person”	:	Any Employee or Director of Genetec Group satisfying the conditions stipulated in By-Law 5
“Employee”	:	Any person who is employed by any corporation of Genetec Group and is on the payroll of Genetec Group
“Entitlement Date”	:	The date as at the close of business on which shareholders must be registered in the Record of Depositors in order to be entitled to any dividends, rights, allotments and/or other distributions
“ESOS Committee”	:	The committee comprising such persons as may be appointed and duly authorised by the Board, to administer the Scheme in accordance with the provisions of By-Law 18
“Grantee”	:	A Selected Person who has accepted the Offer in accordance with the provisions of By-Law 8
“Genetec” or “Company”	:	Genetec Technology Berhad [Registration No. 199701030038 (445537-W)], or such other name to which it may be changed from time to time
“Genetec Group” or “Group”	:	The Company and its subsidiaries incorporated in Malaysia as defined in Section 4 of the Act (excluding subsidiaries which are dormant) and any subsidiary incorporated or acquired at any time during the tenure of the Scheme and where the context so requires, any one of them
“Listing Requirements”		ACE Market Listing Requirements of Bursa Securities including any amendments which may be made from time to time
“Market Day”	:	Any day between Monday and Friday, both days inclusive, which is a trading day on Bursa Securities
“Maximum Allowable Allotment”	:	The maximum aggregate number of new Shares in respect of which Offers may be made in accordance with the provisions of By-Law 6 to a Selected Person to participate in the Scheme
“Offer”	:	An offer made by the ESOS Committee as set out in By-Law 7 to a Selected Person
“Option(s)”	:	The right of a Grantee to subscribe for new Shares at the Subscription Price and where the context so requires, means any part of the Option as shall remain unexercised
“Option Period”	:	The period during which an Option may be exercised as may be specified in the Offer
“Person Connected”	:	Has the same meaning as that assigned to “person connected” in paragraph 1.01 of the Listing Requirements
“Rules of Bursa Depository”	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

“Scheme”	:	Genetec Group Employees’ Share Option Scheme established by the By-Laws hereto for the grant of Options to Selected Persons to subscribe for new Shares
“Selected Person”	:	An Eligible Person to whom an Offer is being made pursuant to By-Law 7
“Share(s)” or “Genetec Share(s)”	:	Ordinary share(s) in the Company
“Subscription Price”	:	The price at which the Grantee shall be entitled to subscribe for a new Share as set out in By-Law 9

3.2 In these By-Laws-

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (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 other relevant authorities);
- (b) 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 Options offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) words importing the singular meaning where the context so admits include the plural meaning and vice versa;
- (d) words of the masculine gender include the feminine gender and all such words shall be construed interchangeably in that manner;
- (e) any liberty or power which may be exercised or any determination which may be made hereunder by the Board or the ESOS Committee may be exercised at the Board's or ESOS Committee's discretion;
- (f) 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; and
- (g) headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

4. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The maximum number of new Shares which may be made available under the Scheme shall be up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the point in time when an Offer is made. The Company will use all reasonable efforts to make available/ensure that it has available and sufficient number of new Shares to satisfy all subsisting Options which may be exercisable from time to time for the Duration of the Scheme.
- 4.2 Notwithstanding the provisions of By-Law 4.1 or any other provision herein contained, in the event the maximum number of new Shares comprised in the Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own Shares in accordance with the provisions of Section 127 of the Act or any other corporate proposal and thereby diminishing its total number of issued shares, then such Options granted prior to the adjustment of the total number of issued shares of the Company shall remain valid and exercisable in accordance with the provisions of the Scheme. However, in such a situation, the Company shall not make any more new Offers until the total number of Shares under the subsisting Options including Shares that have been issued under the Scheme falls below fifteen percent (15%) of the Company's total number of issued shares (excluding treasury shares, if any).

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)**5. ELIGIBILITY**

5.1 Any Employee or Director of Genetec Group shall be eligible to be considered for the offer of the Options provided that as at the Date of Offer made in writing by the ESOS Committee to the Eligible Persons:-

- (i) the Employee of Genetec Group:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) is confirmed in writing as a full time Employee and has been in the employment of Genetec Group for a period of at least six (6) months of continuous service prior to and up to the Date of Offer, including service during the probation period; and
 - (d) in the case of an Employee who is the chief executive officer of Genetec and Persons Connected with him, the specific allocation of new Shares to such Employee or Persons Connected with him under the Scheme has been approved by the shareholders of Genetec at a general meeting PROVIDED ALWAYS THAT such Employee and Persons Connected to him shall not have voted on the resolution approving their respective allocation.
- (ii) the Director of Genetec Group:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) has been appointed as a Director (and not as an alternate director) of a company within Genetec Group for a period of at least six (6) months; and
 - (d) in the case of a Director who is also the chief executive officer or a major shareholder of Genetec and Persons Connected with them, the specific allocation of new Shares to such Director or Persons Connected with them under the Scheme has been approved by the shareholders of Genetec at a general meeting PROVIDED ALWAYS THAT such Director and Persons Connected to them shall not have voted on the resolution approving their respective allocation.

The selection of any Eligible Persons for participation in the Scheme shall be at the discretion of the ESOS Committee, and the decision of the ESOS Committee shall be final and binding.

Aside from the conditions above and any other condition to be imposed by the ESOS Committee from time to time, an Eligible Person is not subject to meet any other condition and/or performance target to be eligible to participate in the Scheme.

5.2 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in the Scheme unless the ESOS Committee has made an offer to the Eligible Person under By-Law 7 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT OF SHARES

6.1 Subject to any adjustments which may be made under By-Law 16, the aggregate number of Shares comprised in the Options to be offered to a Selected Person in accordance with the Scheme shall be determined at the discretion of the ESOS Committee after taking into consideration the Selected Person's performance, position, seniority and the number of years in service subject to the following:-

- (a) that the number of Options made available under the Scheme shall not exceed the amount stipulated in By-Law 4.1;
- (b) not more than 70% of the total number of Genetec Shares to be issued under the Scheme shall be allocated, in aggregate, to Directors and senior management of the Group;
- (c) the Directors and senior management of Genetec Group do not participate in the deliberation or discussion in respect of their own allocation of the Options; and

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

- (d) that not more than ten percent (10%) of the Shares available under the Scheme at the point in time when an Offer is made, be granted to any individual Selected Person who, either singly or collectively through Persons Connected with him, holds twenty per cent (20%) or more in the total number of issued shares (excluding treasury shares, if any) of the Company.
- 6.2 At the time the Offer is made in accordance with By-Law 7, the ESOS Committee shall set out the basis of allocation, identifying the category or grade of the Employee and the Maximum Allowable Allotment for the Eligible Person.
- 6.3 Any Selected Person who holds more than one position within Genetec Group and by holding such positions such Selected Person is in more than one category; such Selected Person shall only be entitled to the Maximum Allowable Allotment of any one category. The ESOS Committee shall be entitled at its discretion to determine the applicable category.
- 6.4 In the event that a Selected Person is promoted, the Maximum Allowable Allotment applicable to such Selected Person shall be the Maximum Allowable Allotment corresponding to the new category of Employee of which he/she is a party, subject always to the availability of the maximum number of Shares under the Scheme as stipulated under By-Law 4.1 and the Maximum Allowable Allotment as set out in By-Law 6.1.
- 7. OFFER**
- 7.1 Subject to and in accordance with the provisions of these By-Laws, the ESOS Committee may at its discretion at any time from the Date of Commencement grant an Offer to a Selected Person based on the basis of allotment as set forth in By-Law 6.
- 7.2 The actual number of Offer which may be granted to a Selected Person shall be at the discretion of the ESOS Committee but shall not be more than the Maximum Allowable Allotment as set out in By-Law 6.
- 7.3 The ESOS Committee will in its offer document ("**Offer Letter**") to a Selected Person state, inter alia, the number of Shares that can be subscribed under the Offer, the Subscription Price determined in accordance with the provisions of By-Law 9, the closing date for acceptance of the Offer and the manner and conditions of exercise of the Options. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 8 hereof.
- 7.4 Nothing herein shall prevent the ESOS Committee from making more than one Offer during the Duration of the Scheme to a Selected Person PROVIDED ALWAYS THAT the total aggregate number of Options offered to any Selected Person including Options which have been exercised, if any, shall not exceed the Maximum Allowable Allotment.
- 7.5 The Company shall keep and maintain at its expense a register of Grantees as required under Section 129 of the Act.
- 7.6 The Company shall, on the Date of Offer, announce the following to Bursa Securities upon the Options offered under the Scheme:-
- (a) Date of Offer;
 - (b) Subscription Price of Options offered;
 - (c) number of Options offered;
 - (d) market price of its securities on the Date of Offer;
 - (e) number of Options offered to each Director, if any; and
 - (f) vesting period of the Options offered.
- 7.7 Offers with respect of Options may be made from time to time as the Board may determine in its discretion.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

8. ACCEPTANCE OF OFFER

- 8.1 An Offer made by the ESOS Committee under By-Law 7 shall be valid for a period of seven (7) calendar days from the Date of Offer or such longer period as may be determined by the ESOS Committee and may be accepted within this prescribed period by the Selected Person to whom the Offer is made by a notice (in a format to be prescribed by the ESOS Committee) to the ESOS Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the Option.
- 8.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of seven (7) calendar days from the Date of Offer or such longer period as may be determined by the ESOS Committee, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the new Shares comprised in the Options may at the discretion of the ESOS Committee be re-offered to Eligible Persons.

9. SUBSCRIPTION PRICE

Subject to any adjustments in accordance with By-Law 16, the price at which the Grantee is entitled to subscribe for each new Share shall be determined by the ESOS Committee based on the five (5) day weighted average market price of Shares immediately preceding the Date of Offer of the Option, with a potential discount of not more than ten percent (10%) or such basis in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities as may be amended from time to time, whichever is higher. The Subscription Price as determined by the ESOS Committee shall be conclusive and binding on the Grantees.

10. NON-ASSIGNABLE

An Option is personal to the Grantee. Save and except as provided in By-Law 20.4, an Option shall be non-assignable and non-transferable.

11. EXERCISE OF OPTION

- 11.1 An Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 20, is exercisable by that Grantee during his lifetime within the Option Period. All unexercised Options shall become null and void after the Date of Expiry.
- 11.2 Upon acceptance of an Offer, the Grantee may during the Option Period exercise his Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.
- 11.3 The Grantee shall notify the Company of his intention to exercise an Option in such form and manner as the ESOS Committee may prescribe or approve (“**Notice of Exercise**”). The Grantee shall, simultaneously with his exercise of the Option (or within such period as the ESOS Committee may prescribe), forward to the Company a remittance for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. An Option may be exercised in such manner and subject to such conditions as stipulated in the Offer Letter in respect of such lesser number of new Shares as the Grantee may decide to exercise. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.
- 11.4 The Grantee shall provide all information as required in the Notice of Exercise and the Company shall within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of a valid Notice of Exercise and remittance from the Grantee allot and despatch the notice of allotment for the relevant number of Shares to the Grantee upon and subject to the provisions of the Constitution, the Central Depositories Act and the Rules of Bursa Depository. No physical share certificates will be delivered to the Grantee.
- 11.5 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) calendar days from the date of rejection and the Grantee shall then be deemed not to have exercised his Options.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

11.6 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESOS Committee shall have the right at its discretion by notice to that effect:-

- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of Genetec Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a disciplinary proceeding being instituted) to exercise his Option. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the contravention PROVIDED ALWAYS THAT in the event such contravention results in the dismissal or termination of service of such Grantee, the Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee;

OR

- (b) to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his Option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS THAT:-

- (i) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the right of such Grantee to exercise his Option; or
- (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
- (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such terms and conditions as it deems appropriate, on such exercise.

11.7 Each Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the Option if such issue shall be contrary to any laws, rules and/or regulations of any regulatory body or authorities which may be in force during the Option Period.

12. RIGHTS OF A GRANTEE

12.1 The Options shall not carry any right to vote at any general meeting of the Company.

12.2 A Grantee shall not be entitled to any dividends, right or other entitlement on his unexercised Options.

13. RIGHTS ATTACHING TO NEW SHARES

13.1 The new Shares to be allotted and issued upon any exercise of the Options will upon such allotment and issuance, rank *pari passu* in all respects with the then issued Shares except that the new Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, the Entitlement Date of which is a date prior to the date of allotment of the new Shares and will be subject to all the provisions of the Constitution relating to transfer, transmission and otherwise of the Shares.

13.2 The new Shares allotted and credited into the CDS account would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered in the Record of Depositors not less than three (3) Market Days prior to the general meeting.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

14. RETENTION PERIOD

- 14.1 All new Shares credited pursuant to the Scheme shall not be subject to any retention period, except for any participating non-executive director who must not sell, transfer or assign the Shares obtained through the exercise of the Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer of such Options or such period as may be prescribed by Bursa Securities.
- 14.2 Save and except for By-Law 14.1 above, the new Shares to be issued and allotted to a Grantee pursuant to the exercise of an Option under the Scheme will not be subject to any retention period or restriction on transfer. However, the Grantees are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of immediate gain.

15. TAKEOVER AND COMPULSORY ACQUISITION

In the event of:-

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the ESOS Committee may at its discretion to the extent permitted by law allow the exercise of any unexercised Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:-

- (i) the date on which the Grantee becomes entitled to exercise the Options or any part thereof is not due or has not occurred; and/or
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer have not been fulfilled/satisfied.

16. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

- 16.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, subdivision or consolidation of shares or capital reduction or any other variation of capital:-

- (a) the number of new Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option (excluding Options already exercised) (“**Option Shares**”); and/or
- (b) the Subscription Price,

shall be adjusted PROVIDED ALWAYS THAT:-

- (i) on any such adjustment, the resultant Subscription Price, if not an integral multiple of one (1) sen, shall be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Subscription Price or reduce the number of Option Shares that a Grantee is already entitled to;
- (ii) upon any adjustment being made pursuant to these By-Laws, the ESOS Committee shall within thirty (30) calendar days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of Option Shares;
- (iii) in determining a Grantee’s entitlement to the revised number of Option Shares, any fractional entitlement will be disregarded; and

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

- (iv) if fraction arises upon calculation of the adjusted number of Option Shares, the adjusted number so calculated shall be rounded down to the nearest whole number.

Any adjustments to the Subscription Price and/or the number of Option Shares so far as unexercised other than bonus issue, subdivision or consolidation of Shares must be confirmed in writing by the external auditors of the Company or the Company's Adviser.

Should there be other circumstances which give rise to a consideration for adjustments to the Subscription Price or the number of Option Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice subject to compliance with the Listing Requirements and the law.

16.2 In addition to By-Law 16.1 and not in derogation thereof, the Subscription Price and the number of Option Shares so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Auditor and/or Adviser of the Company:-

- (a) if and whenever a Share is consolidated or subdivided or converted to a different value, the Subscription Price shall be adjusted and the additional number of Option Shares to be issued shall be calculated in accordance with the following formula:-

$$\text{New Subscription Price} = S \times \frac{\left[\begin{array}{l} \text{the aggregate number of} \\ \text{Shares immediately} \\ \text{before such consolidation} \\ \text{or subdivision or} \\ \text{conversion} \end{array} \right]}{\left[\begin{array}{l} \text{the aggregate number of} \\ \text{Shares immediately after} \\ \text{such consolidation or} \\ \text{subdivision or conversion} \end{array} \right]}$$

Where S = existing Subscription Price

$$\text{Number of Additional Option Shares} = T \times \left[\frac{\left[\begin{array}{l} \text{the aggregate number of} \\ \text{Shares immediately after} \\ \text{such consolidation or} \\ \text{subdivision or conversion} \end{array} \right]}{\left[\begin{array}{l} \text{the aggregate number of} \\ \text{Shares immediately} \\ \text{before such consolidation} \\ \text{or subdivision or} \\ \text{conversion} \end{array} \right]} \right] - T$$

Where T = existing number of Option Shares

Each such adjustment will be effective from the commencement of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective or such other date as may be prescribed by Bursa Securities.

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

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

and the additional number of Option Shares to be issued shall be calculated as follows:

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

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

where:

- A = the aggregate number of issued Shares on the Entitlement Date immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = existing number of Option Shares.

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

- (c) If and whenever the Company shall make:-
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
 - (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares,

then and in respect of each such case, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and in respect of the case referred to in By-Law 16.2(c)(ii) hereof, the number of additional new Option Shares to be issued shall be calculated as follows:-

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

where:

- T = existing number of Option Shares;
- C = the current market price of each Share at the close of business on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares by way of rights under By-Law 16.2(c)(ii) above or for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares under By-Law 16.2(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 16.2(c) hereof, the fair market value, as determined by an Auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

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

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

where:

- C = as C above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;
- F = the number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into or rights to acquire or subscribe for one (1) additional Share; and
- D* = the value of rights attributable to one (1) Share (as defined below).

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

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

where:

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

For the purpose of this By-Law 16.2(c) hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (other than an issue falling under By-Law 16.2(b) hereof) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund, if applicable).

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

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

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 16.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 16.2(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 16.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 16.2(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the number of additional Options Shares to be issued shall be calculated as follows:-

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

B = as B above; and

C = as C above;

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

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

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

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

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

T = as T above.

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 16.2(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 16.2(c)(iii) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

where:

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

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

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 16.2(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 16.2(c)(ii) above, together with securities convertible into Shares or with rights to acquire or subscribe for Shares as provided in By-Law 16.2(c)(iii) above, and the Entitlement Date for the purpose of the allotment is also the book closure for the purpose of offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

B	=	as B above;
C	=	as C above;
G	=	as G above;
H	=	as H above;
H*	=	as H* above;
I	=	as I above;
I*	=	as I* above;
J	=	as J above;
K	=	as K above; and
T	=	as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 16.2(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

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

where:

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

For the purposes of By-Law 16.2(g), the “Total Effective Consideration”, which shall be determined by the Board with the concurrence of an auditor and/or Adviser of the Company, shall be:-

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

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

For the purpose of By-Law 16.2(g), the Average Price of a Share shall be the average market price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

16.3 The provisions of this By-Law 16 shall not apply where the alteration in the capital structure of the Company arises from:-

- (a) the issue of securities as consideration for an acquisition;
- (b) a special issue of new Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

- (c) a special issue, private placement or restricted issue of new Shares by the Company;
 - (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to the relevant provision of the Act;
 - (e) 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 (if any) issued by the Company;
 - (f) an issue of new Shares upon the exercise of Options pursuant to the Scheme;
 - (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including Directors, or Employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the Shareholders in general meeting; and
 - (h) any issue of Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the outstanding issued share capital of the Company pursuant to the provision of Section 75 of the Act.
- 16.4 Upon any adjustment being made, the ESOS Committee shall give notice in writing within thirty (30) calendar days from the date of adjustment to the Grantee, where applicable, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.
- 16.5 The decision of the ESOS Committee as to whether any adjustment shall be made or not made to the Subscription Price and/or the number of new Option Shares or any portion thereof pursuant to this By-Law 16 is final, binding and conclusive.

17. LISTING AND QUOTATION OF SHARES

- 17.1 The new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with the provisions of By-Law 11 whereupon the Company shall:-
- (a) issue and/or allot the Shares;
 - (b) despatch a notice of allotment to the Grantee; and
 - (c) apply for the quotation of such Shares.

within eight (8) Market Days or such other period as may be prescribed or allowed by Bursa Securities after the receipt of the Notice of Exercise and remittance from the Grantee.

- 17.2 The Company and the ESOS Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

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DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

18. ADMINISTRATION OF THE SCHEME

- 18.1 The ESOS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board including but not limited to the powers to:-
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Options granted under it, define the terms therein and recommend to the Board to establish, amend or revoke rules and regulations relating to the Scheme and its administration. The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
 - (b) determine all questions 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 or expedient to promote the best interests of the Company.
- 18.2 The Board shall have power from time to time to rescind the appointment of any person in the ESOS Committee and appoint his replacement where the Board deems fit. The ESOS Committee shall be vested such powers and duties as are conferred upon by the Board.

19. MODIFICATION AND/OR AMENDMENT TO THE BY-LAWS

- 19.1 Subject to By-Law 19.2 and the compliance with the Listing Requirements, Rules of Bursa Depository and/or any other relevant regulatory authority, if required, the ESOS Committee may at any time and from time to time recommend to the Board any addition, modification and/or amendment to and/or deletion of all or any part of the By-Laws and the Board shall have the power by resolution to add, modify and/or amend to and/or delete of all or any part of the By-Laws under such recommendation.
- 19.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, modification and/or amendments to and/or deletions of all or any part of the Bylaws **PROVIDED THAT** no addition, modification, amendment and/or deletion shall be made to these Bylaws which would:-
- (a) prejudice any rights which have accrued to any Grantee, without his prior consent; or
 - (b) increase the number of new Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
 - (c) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements relevant to the Scheme to the advantage of any Grantee or group of Grantees or all Grantees without the prior approval of the shareholders of the Company unless allowed otherwise by the provisions of the Listing Requirements.

The ESOS Committee shall within ten (10) Market Days of any addition, modification, amendment and/or deletion made pursuant to this By-Law notify the Grantee in writing of such addition, modification, amendment and/or deletion made pursuant to this By-Law.

- 19.3 Upon amending and/or modifying all or any part of the provisions of the Scheme, the Company shall submit to Bursa Securities a letter confirming that the said addition, modification, amendment and/or deletion complies with the Listing Requirements, Rules of Bursa Depository and/or any other relevant regulatory authority, if required, no later than five (5) Market Days after the effective date of the addition, modification and/or amendment to and/or deletion of all or any part of the By-Laws.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

20. TERMINATION OF OPTIONS

20.1 In the event of cessation or termination of employment or appointment of a Grantee with Genetec Group for whatever reason prior to the exercise of his Options or prior to full exercise of his Options, such Options shall cease immediately and become null and void on the date of such cessation or termination without any claim against the Company PROVIDED ALWAYS THAT, subject to the approval of the ESOS Committee in its discretion, where the Grantee ceases his employment or appointment with Genetec Group by reason of:-

- (a) his retirement at or after attaining normal retirement age; or
- (b) retirement before that age; or
- (c) ill-health, injury or disability; or
- (d) redundancy; or
- (e) transfer to an associate of Genetec Group (which definition shall be that which is adopted by the Malaysian Accounting Standards Board); or
- (f) divestment of any company from Genetec Group; and/or
- (g) any other reasons which are acceptable to the ESOS Committee,

a Grantee may exercise his unexercised Options for such period as may be determined by the ESOS Committee within the relevant Option Period PROVIDED ALWAYS THAT such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme (unless otherwise approved by the ESOS Committee). All unexercised or partially exercised Options of such Grantee shall become null and void after the expiry of such period.

20.2 If a Grantee ceases his employment or appointment with Genetec Group by reason of his resignation, his remaining unexercised Options shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of any doubt, the date of acceptance of a Grantee's resignation by Genetec Group shall be deemed to be the effective date when a Grantee ceases his employment or appointment with Genetec Group.

20.3 An Option shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.

20.4 In the event where a Grantee dies before the expiration of the Option Period and at the time of his death held unexercised Options, such unexercised Options may be exercised by the legal or personal representative(s) of the Grantee after the date of his death provided that such exercise shall be no later than twelve (12) months thereafter unless otherwise approved by the ESOS Committee PROVIDED ALWAYS THAT such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme (unless otherwise approved by the ESOS Committee) and Provided Further That no Option shall be exercised after the expiry of the Option Period. All Options remaining unexercised thereafter shall automatically lapse and become null and void.

20.5 Any Option that has lapsed and become null and void pursuant to this By-Law 20 may at the discretion of the ESOS Committee be re-allocated to other Eligible Person.

21. LIQUIDATION OF THE COMPANY

In the event of the liquidation of the Company, all unexercised or partially exercised Options shall cease and be null and void.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)**22. DURATION OF THE SCHEME**

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

- (i) Submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) Receipt of approval-in-principle for the listing of and quotation for the new Shares to be issued pursuant to the exercise of the Options granted under the Scheme from Bursa Securities;
- (iii) Receipt of approval of the shareholders of the Company for the Scheme;
- (iv) Receipt of approval of any other relevant authorities and/or parties for the Scheme, where applicable; and
- (v) Fulfilment of all conditions attached to the above approvals, if any.

On or before the expiry of the Scheme, the Board shall have the absolute discretion, without having to obtain approval of the Company's shareholders, to extend the duration of the Scheme for a further five (5) years provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Date of Commencement. In the event the Scheme is extended in accordance with this provision, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.

23. TERMINATION OF THE SCHEME

23.1 Notwithstanding to the By-Law 22 above and subject to the compliance with the Listing Requirements, Rules of Bursa Depository and/or any other relevant regulatory authorities, the Company may at any time during the duration of the Scheme (including any extension thereof) terminate the Scheme and shall immediately announce to Bursa Securities the:-

- (a) effective date of termination of the Scheme;
- (b) number of Options exercised or Shares vested; and
- (c) reasons for termination of the Scheme.

23.2 In the event of the termination of the Scheme, the following provisions shall apply:-

- (a) no further Offer shall be made by the ESOS Committee from the date of such termination;
- (b) outstanding Offer but not accepted by the Eligible Persons shall automatically lapse on such date of termination; and
- (c) all outstanding Options which have yet to be exercised by the Grantees shall be deemed cancelled and be null and void on such date of termination.

23.3 Subject to the provisions of 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 Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme.

23.4 Notwithstanding the above, the Company may implement more than one (1) Scheme provided that the aggregate number of Shares available under all the Schemes implemented by the Company is not more than thirty percent (30%) of its total number of issued shares (excluding treasury shares, if any) at any one time or such lower or higher limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities as amended from time to time.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

24. DISPUTES/DIFFERENCES

In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person, Selected Person and/or Grantee as to any provisions contained in these By-Laws, the ESOS Committee shall determine such dispute or difference by a decision given to the Eligible Person, Selected Person and/or Grantee. The said decision shall be final and binding on the parties unless the Eligible Person, Selected Person and/or Grantee within fourteen (14) calendar days of the receipt thereof by a notice to the ESOS Committee, disputes the same in which case such dispute or difference shall be referred to the decision of the Adviser and/or Auditor (as selected by the ESOS Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects.

25. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to preparation and/or operation of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of any Option shall be borne by the Company.

26. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

Notwithstanding the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme as set out in the Offer Letter and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between Genetec and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of Genetec under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act, a Grantee may exercise in full or in part any Option to which the Grantee is entitled commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

Upon the compromise or arrangement becoming effective, all Options remaining unexercised thereafter shall automatically lapse and become null and void, unless otherwise determined by the ESOS Committee and approved by the Board.

27. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme does not form part of or constitute or shall not in any way be construed as a term or condition of employment of an Eligible Person.

28. COMPENSATION**28.1 Notwithstanding any provisions of these By-Laws:-**

- (a) this Scheme shall not form part of any contract of employment between any company of Genetec Group and any Employee or Director of Genetec Group and the rights of any Grantee under the terms of his office and employment with the Company or any company of Genetec Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Option themselves) against the Company or any company of Genetec Group or any members of the ESOS Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or Genetec Group; and
- (c) a Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, breach of contract or by way of compensation for loss of office.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

- 28.2 No Grantee or his legal or personal representatives shall bring any claim, action or proceedings against the Company or the Board or the ESOS Committee or any party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws as may be amended from time to time in accordance with By-Law 19.

29. CONSTITUTION OF THE COMPANY

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Constitution, the provisions of the Constitution shall at all times prevail.

30. TAXES

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

31. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is 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 and provision herein contained.

32. GOVERNING LAW AND JURISDICTION

- 32.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.
- 32.2 In order to facilitate the making of any Offer under this Scheme, the Board may provide for such special terms to the Eligible Person who are employed by any corporation in Genetec Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.
- 32.3 Notwithstanding the above, no action has been or will be taken by the Company to make the Offer or any issue of new Shares pursuant to the Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer or any issue of new Shares pursuant to the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Grantee with all applicable laws and regulations in such other country or jurisdiction in which the Offer will be made.

DRAFT NEW BY-LAWS OF THE PROPOSED NEW ESOS (CONT'D)

- 32.4 It is the responsibility of any Grantee to whom the Offer is made to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Offer or exercise their Option. Grantee who are employed by a company within Genetec Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, should consult their legal advisers as to whether the Offer or any issue of new Shares pursuant to the Offer would result in the contravention of any laws of such countries or jurisdictions, and in the event that the Offer or any issue of new Shares pursuant to the Offer would result in the contravention of any laws of such countries or jurisdictions, the Grantee will have no rights or claims whatsoever against the Company in respect of their Offer or any issue of new Shares pursuant to the Offer. By participating in the Scheme, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they will accept the Offer or any issue of new Shares pursuant to the Offer.
- 32.5 The Company shall not accept any responsibility and liability in the event that any Offer or any issue of new Shares pursuant to the Offer to the Grantee is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in any jurisdictions outside Malaysia.

33. INSPECTION OF THE AUDITED ACCOUNTS AND DISCLOSURES IN ANNUAL REPORT

- 33.1 All Grantees are entitled to inspect, during normal office hours from 9.00 a.m. to 5.00 p.m., Mondays to Fridays (except all public holidays declared in Malaysia) or as otherwise specified by the ESOS Committee, the latest audited financial statements of the Company at the registered office of the Company for the time being, which shall be made available on the Bursa Securities' website as well as the Company's website.
- 33.2 The Company will make such disclosure in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Person.

34. NOTICE

Any notice which under the Scheme is required to be given or served upon an Eligible Person, Selected Person or Grantee shall be in writing and be deemed to be sufficiently given or served either delivered by hand or sent to the Eligible Person, Selected Person or Grantee at his place of employment or at the last known address known by the Company as being his address or by electronic mail.

35. ERRORS AND OMISSIONS

- 35.1 If in consequences of an error or omission, the ESOS Committee discovers or determines that:-
- (a) an Eligible Person who was selected as a Selected Person has not been given the opportunity to participate in the Scheme on any occasion;
 - (b) an Eligible Person was erroneously selected as a Selected Person; or
 - (c) the number of Options granted to any Selected Person or Option Shares allotted to any Grantee on any occasion is found to be incorrect;

and such error or omission cannot be corrected, the ESOS Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Offer given to the Employee or Director who was erroneously selected as a Selected Person and/or to ensure that the Selected Person is given the correct number of Options or credited with the correct number of Option Shares to which he is entitled to.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors individually and collectively 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 other facts the omission of which would make any statement/information herein misleading.

2. CONSENT

KAF IB, as the adviser to Genetec in relation to the Proposed New ESOS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, where relevant, in the form and context in which it appears.

3. DECLARATIONS

KAF IB has confirmed that it is not aware of any conflict of interest situation that exists or is likely to exist that affect its ability to act independently and objectively as the adviser in connection with the Proposed New ESOS.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any other material commitments and contingent liabilities incurred or known to be incurred by Genetec which, upon becoming due and enforceable, may have a material and adverse impact on financial position or business of Genetec Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, Genetec Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors of Genetec are not aware of any proceeding pending or threatened against Genetec and/or its subsidiaries or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business of Genetec Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of Genetec at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, during normal business hours from the date of this Circular up to and including the date of the EGM: -

- (a) Constitution of the Company;
- (b) the letters of consent and conflict of interests referred to in Section 2 and Section 3 respectively of this Appendix III;
- (c) the draft New By-Laws; and
- (d) the audited consolidated financial statements of Genetec for the past two (2) financial years ended 31 March 2019 and 2020.

GENETEC TECHNOLOGY BERHAD

Registration No.: 199701030038 (445537-W)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Genetec Technology Berhad (“**Genetec**” or the “**Company**”) will be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company’s Twenty-Second Annual General Meeting to be held at the same venue on the same day at 9.30 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) INVOLVING THE ISSUANCE OF NEW ORDINARY SHARES IN GENETEC REPRESENTING UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARES OF GENETEC (EXCLUDING TREASURY SHARES, IF ANY) TO ELIGIBLE DIRECTORS AND EMPLOYEES OF GENETEC AND ITS SUBSIDIARIES (“GENETEC GROUP”) (“PROPOSED NEW ESOS”)

“**THAT**, subject to the approvals of all the relevant regulatory authorities and/or parties being obtained, including approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the new ordinary shares in Genetec (“**Genetec Share(s)**”) to be issued arising from the exercise of the ESOS options granted under the Proposed New ESOS (“**ESOS Option(s)**”), approval be and is hereby given for the Board of Directors of Genetec (“**Board**”) to:-

- (a) establish, implement and administer the Proposed New ESOS which involves the granting of ESOS Options to all eligible employees of Genetec Group including the Directors of the Company and its subsidiaries (save for the dormant subsidiaries) who meet the criteria of eligibility for participation of the Proposed New ESOS (“**Eligible Persons**”) in accordance with the by-laws of the Proposed New ESOS (“**New By-Laws**”), a draft of which is set out in Appendix II of the Circular to the shareholders of the Company dated 27 July 2020 (“**Circular**”);
- (b) to approve and adopt the New By-Laws and to give effect to the Proposed New ESOS with full power to assent to any conditions, variations, modifications and/or amendments by a resolution of the Board upon recommendation of the ESOS Committee from time to time as it shall in its discretion deem fit subject to the New By-Laws and compliance with the ACE Market Listing Requirements of Bursa Securities and any other approvals as may be required by the relevant regulatory authorities;
- (c) allot and issue such number of Genetec Shares to the Eligible Persons from time to time as may be required arising from the exercise of the ESOS Options, **PROVIDED THAT** the total number of new Genetec Shares, which may be made available under the Proposed New ESOS, shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed New ESOS subject always to the following:-
 - (i) the Directors and senior management of Genetec Group do not participate in the deliberation or discussion in respect of their own allocation of the ESOS Options;
 - (ii) not more than 70% of the total number of Genetec Shares to be issued under the Proposed New ESOS shall be allocated, in aggregate, to Directors and senior management of Genetec Group; and
 - (iii) not more than ten percent (10%) of the total number of new Genetec Shares to be issued under the Proposed New ESOS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of Genetec (excluding treasury shares, if any);

- (d) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new Genetec Shares which may from time to time be allotted and issued pursuant to the Proposed New ESOS. Such new Genetec Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Genetec Shares, save and except that the new Genetec Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, the entitlement date of which precedes the date of issuance of such new Genetec Shares;
- (e) extend the duration of the Proposed New ESOS for a maximum period of an additional five (5) years (the duration of the Proposed New ESOS would then be for a total period of ten (10) years from the effective date of the Proposed New ESOS), if the Board deems fit; and
- (f) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed New ESOS and the terms of the New By-Laws.

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed New ESOS with full power to add, modify and/or amend to and/or delete of all or any part of the New By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the New By-Laws relating to addition, modification, amendment and/or deletion and to assent to any condition, variation, addition, modification, amendment and/or deletion as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities.”

ORDINARY RESOLUTIONS 2 TO 6

PROPOSED GRANTING OF ESOS OPTIONS TO THE FOLLOWING DIRECTORS OF GENETEC

- ORDINARY RESOLUTION 2 - HEW VOON FOO**
- ORDINARY RESOLUTION 3 - TEH KIM SENG**
- ORDINARY RESOLUTION 4 - CHIN KEM WENG**
- ORDINARY RESOLUTION 5 - SOW EWE LEE**
- ORDINARY RESOLUTION 6 - TAN MOON TEIK**

“**THAT**, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS committee to be appointed by the Board to administer the Proposed New ESOS, at any time, and from time to time, to offer and grant to the above-mentioned Directors of the Company, options to subscribe for such number of new Genetec Shares under the Proposed New ESOS, and to allot and issue such number of new Genetec Shares to him/her upon exercise of the ESOS Options, **PROVIDED THAT:-**

- (a) not more than ten percent (10%) of the total number of new Genetec Shares to be issued under the Proposed New ESOS would be allocated to any one the Director of the Company who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of Genetec (excluding treasury shares, if any); and
- (b) not more than 70% of the total number of new Genetec Shares to be issued under the Proposed New ESOS shall be allocated, in aggregate, to Directors and senior management of Genetec Group.

AND subject always to such terms and conditions of the Proposed New ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the New By-Laws and ACE Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

BY ORDER OF THE BOARD

LOW SOOK KUAN
(SSM PC NO. 202008001384)
(MAICSA 7047833)
Company Secretary

Selangor Darul Ehsan
27 July 2020

Notes:-

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the forthcoming Extraordinary General Meeting, the Company shall be requesting a Record of Depositors as at 21 August 2020. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) or authorised representative to attend, speak and vote on his/her stead.*
2. *A member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead. A proxy must be 18 years and above, and may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless the member specifies the proportion of the member's shareholdings to be represented by each proxy.*
3. *Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
4. *Where a member of the Company is an authorised nominee as defined under the SICDA, 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. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*
6. *The instrument appointing a proxy must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH online website at <https://tiih.online> (For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Guide), not less than forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof and in default the instrument of proxy shall not be treated as valid.*

Genetec Technology

PROXY FORM

(To be completed in block letters)

No. of shares held	
--------------------	--

I/We _____ NRIC/Passport/Company No. _____

(FULL NAME OF MEMBER(S) IN CAPITAL LETTERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION)

of _____

(FULL ADDRESS)

being a member/members of GENETEC TECHNOLOGY BERHAD [Registration No. 199701030038 (445537-W)] (the "Company") hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 10.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company's Twenty-Second Annual General Meeting to be held at the same venue on the same day at 9.30 a.m., whichever is later, and at any adjournment thereof as indicated below:

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1 - Proposed New ESOS		
Ordinary Resolution 2 - Proposed Granting of ESOS Options to Hew Voon Foo		
Ordinary Resolution 3 - Proposed Granting of ESOS Options to Teh Kim Seng		
Ordinary Resolution 4 - Proposed Granting of ESOS Options to Chin Kem Weng		
Ordinary Resolution 5 - Proposed Granting of ESOS Options to Sow Ewe Lee		
Ordinary Resolution 6 - Proposed Granting of ESOS Options to Tan Moon Teik		

(Please indicate with an "X" in the space provided whether you wish your vote to be cast for or against the resolution. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

Dated this: _____ day of _____ 2020.

Signature/Common Seal of Shareholder(s)

Tel No. (During office hours): _____

Notes:-

- For the purpose of determining a member who shall be entitled to attend, speak and vote at the forthcoming Extraordinary General Meeting, the Company shall be requesting a Record of Depositors as at 21 August 2020. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) or authorised representative to attend, speak and vote on his/her stead.
- A member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his stead. A proxy must be 18 years and above, and may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless the member specifies the proportion of the member's shareholdings to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- Where a member of the Company is an authorised nominee as defined under the SICDA, 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
- The instrument appointing a proxy must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIH online website at <https://tih.online> (For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Guide), not less than forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof and in default the instrument of proxy shall not be treated as valid.



Fold this flap for sealing

Then fold here

**AFFIX
STAMP**

The Share Registrar
Genetec Technology Berhad (199701030038)(445537-W)
c/o: 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

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