



DIALOG GROUP BERHAD

(Company No: 178694-V)
(Incorporated in Malaysia)

**BY-LAWS
OF THE
DIALOG GROUP BERHAD
EMPLOYEES' SHARE OPTION SCHEME**

DIALOG GROUP BERHAD

("Company" or "DIALOG")

BY-LAWS OF THE DIALOG GROUP BERHAD EMPLOYEES' SHARE OPTION SCHEME BY-LAWS

1. DEFINITIONS

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

"Adviser"	:	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia's Principal Adviser Guidelines (as amended from time to time)
"Affected Participant"	:	Has the meaning given in By-Law 28.1
"Board"	:	The board of directors for the time being of DIALOG
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Malaysia"	:	Bursa Malaysia Securities Berhad (635998-W)
"By-Laws"	:	These By-Laws governing the Scheme as may be amended, modified and/or supplemented from time to time in accordance with By-Law 22
"CDS"	:	The Central Depository System governed under the Securities Industry (Central Depositories) Act, 1991 as amended from time to time
"CDS Account"	:	The account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and dealings in such securities by that depositors of securities
"Companies Act"	:	Companies Act, 2016, and any amendments made thereto from time to time and includes any re-enactment thereof
"DIALOG"	:	DIALOG Group Berhad (178694-V) and shall, where the context admits, include its successors in title

“DIALOG Group” or “Group”	:	DIALOG and its Subsidiaries
“DIALOG Share(s)” or “Shares”	:	Ordinary share(s) in the capital of DIALOG
“Director”	:	A natural person that occupies or act in the position of director in DIALOG
“Disciplinary Action”	:	An action instituted by DIALOG or any of its Subsidiaries against an Eligible Person or Participant, as the case may be, in writing for an alleged misbehaviour, misconduct and/or any other act deemed to be unacceptable in the course of that Eligible Person or Participant’s employment, whether or not such action may give rise to a dismissal or termination of the employment contract and/or contract of service of such Eligible Person or Participant
“Effective Date”	:	The date on which this Scheme takes effect as shall be determined in accordance with By-Law 6.1
“Eligible Person”	:	Has the meaning given in By-Law 4.1
“ESOS Committee”	:	The committee to be approved by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
“Executive Director”	:	A Director who holds a directorship in an executive capacity on the Offer Date and is involved in the day-to-day management of DIALOG
“Exercise Price”	:	The price at which a Participant is entitled to subscribe for DIALOG Shares pursuant to the exercise of an Option
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Malaysia, including any amendments thereto that may be made from time to time
“Market Day”	:	A day on which the stock market of the Bursa Malaysia is open for trading in securities
“Maximum Scheme Shares”	:	Has the meaning given in By-Law 3.1
“Notice of Exercise”	:	Has the meaning given in By-Law 13.1
“Non-Executive Director”	:	A Director of DIALOG who is not an Executive Director
“Offer”	:	An offer made in writing by the ESOS Committee to an Eligible Person
“Offeror”	:	Has the meaning given in By-Law 16.1(a)
“Offer Date”	:	The date on which an Offer is made or is deemed to be made by the ESOS Committee to an Eligible Person, which shall be the date the Offer is served in accordance with By-Law 32
“Offer Period”	:	The period of thirty (30) days from the Offer Date or such other period as may be determined by the ESOS Committee having regard to the Terms of Reference, and specified in the Offer during which an Offer may be accepted

“Option”	:	The right to subscribe for new DIALOG Shares at the Exercise Price on the terms and subject to the conditions of these By-Laws
“Option Period”	:	The period during which an Option may be exercised as may be specified in the Offer, unless terminated in accordance with these By-Laws
“Participant”	:	An Eligible Person who has duly accepted an Offer in accordance with these By-Laws and “Participants” shall be construed accordingly
“Performance Period”	:	The period during which the Performance Targets as may be stipulated by the ESOS Committee and set out in the Offer are required to be performed
“Performance Targets”	:	The performance targets and/or criteria approved by the ESOS Committee, as may be stipulated by the ESOS Committee and set out in an Offer, which are to be achieved during the Performance Period
“persons connected”	:	Shall have the same meaning given in paragraph 1.01 of the Listing Requirements
“RM” and “sen”	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
“Scheme”	:	Scheme for the grant of Options established and governed under these By-Laws and known as the Dialog Group Berhad Employees’ Share Option Scheme
“Scheme Period”	:	The period of the Scheme as set out in By-Law 6.1
“Senior Management”	:	Such employees as the ESOS Committee may in its sole and absolute discretion determine to be senior management
“Service Period”	:	The period as may be determined by the ESOS Committee and stipulated in the Offer during which a Participant: <ul style="list-style-type: none"> (i) must remain in continuous employment and/or service with any corporation in the DIALOG Group; and (ii) must not have given a notice to resign or received a notice of termination
“Subsidiaries”	:	Subsidiaries of DIALOG as defined in the Companies Act which are not dormant and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period but exclude: <ul style="list-style-type: none"> (i) subsidiaries which have been divested in the manner provided in By-Law 27; and (ii) any such subsidiary of DIALOG which, the Board and/or the ESOS Committee, in its sole and absolute discretion determine shall not fall within this expression.

“Terms of Reference”	:	The terms of reference which the Board may establish to regulate and govern the ESOS Committee’s functions and/or responsibilities under these By-Laws, as amended from time to time
“Unexercised Options”	:	Options and any part thereof which have not been fully exercised at the relevant time and in respect of which the Option Period has not expired
“Vesting Date(s)”	:	The date or dates on which the Options or any part or proportion thereof granted shall vest in the Participant, as stipulated by the ESOS Committee in the Offer

1.2 In these By-Laws:

- (a) the headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws;
- (b) any reference to a statutory provision or an applicable law shall include a reference to:
 - (i) any and all subsidiary legislation made from time to time under that provision or law;
 - (ii) any and all Listing Requirements, policies and/or guidelines of Bursa Malaysia and/or the Securities Commission Malaysia (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 by Bursa Malaysia and/or the Securities Commission Malaysia);
 - (iii) 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 Offer made, offered and/or accepted within the duration of the Scheme Period; and
 - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee (including any selection) may be exercised in the ESOS Committee’s sole and absolute discretion having regard only to the Terms of Reference (where applicable) and the ESOS Committee shall not be under any obligation to give any reasons therefor, except as may be required by the relevant authorities;
- (d) 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
- (e) words denoting one gender include all other genders and words denoting the singular include the plural and vice versa.

2. THE SCHEME

2.1 The Scheme shall be called the “**Dialog Group Berhad Employees’ Share Option Scheme**”.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of DIALOG Shares to be allotted and issued pursuant to the Scheme shall not, at any point in time, when aggregated with the total number of new DIALOG Shares allotted and issued and/or to be allotted and issued under any other share issuance scheme involving new issuance of DIALOG Shares which may be implemented from time to time by DIALOG, exceed ten percent (10%) of the total number of issued ordinary shares of DIALOG (excluding treasury shares, if any) or such other percentage of the total number of issued ordinary shares of DIALOG (excluding treasury shares, if any) that may be permitted by Bursa Malaysia or any other relevant authorities from time to time during the Scheme Period ("**Maximum Scheme Shares**").
- 3.2 In the event DIALOG purchases or cancels its own shares in accordance with the Companies Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its total number of issued ordinary shares (excluding treasury shares, if any), the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and Options that have not been vested and/or Options that have been vested, prior to such purchase and/or reduction of the total number of issued ordinary shares of DIALOG shall remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred):
- (a) if, after such purchase, cancellation and/or reduction, the aggregate number of DIALOG Shares in respect of the Options granted (whether or not exercised) by DIALOG as at the date of purchase, cancellation and/or reduction of Shares is greater than the Maximum Scheme Shares, no further Offers shall be made by the ESOS Committee until such aggregate number of DIALOG Shares to be issued under the Scheme falls below the Maximum Scheme Shares; and
 - (b) if, after such purchase, cancellation and/or reduction, the aggregate number of DIALOG Shares in respect of the Options granted (whether or not exercised) by DIALOG as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum Scheme Shares, the ESOS Committee may make further Offers but only until such aggregate number of DIALOG Shares to be issued under the Scheme is equivalent to the Maximum Scheme Shares after such purchase, cancellation and/or reduction.

4. ELIGIBILITY

4.1 Any person who is:

- (a) an Executive Director; and/or
- (b) an employee of a corporation in the DIALOG Group,

who meets the following criteria as at the Offer Date shall be eligible for consideration and selection by the ESOS Committee ("**Eligible Person**"):

- (a) the Executive Director or employee must satisfy the following:
 - (i) if he is employed on a full time basis and is on the payroll of any corporation in the DIALOG Group and has not served a notice to resign or received a notice of termination; or
 - (ii) if he is serving in a specific designation under an employment contract for a fixed duration excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the ESOS Committee;
- (b) if his employment has been confirmed in writing and not under a probationary period;

- (c) if he has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings; and
 - (d) if he fulfils any other criteria and/or falls within such category as may be set by the ESOS Committee from time to time.
- 4.2 Notwithstanding By-Law 4.1, the specific allocation of Options granted by DIALOG to any Eligible Person who is a Director, chief executive officer, major shareholder of DIALOG or person connected with them under the Scheme, shall be approved by the shareholders of DIALOG at a general meeting.
- 4.3 Notwithstanding By-Laws 4.1, the ESOS Committee may from time to time, at its sole and absolute discretion select and identify suitable persons to be offered the Options. In the event any Eligible Persons is a member of the ESOS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own respective selection and allocation of Options to themselves or any person connected with them.
- 4.4 Eligibility for consideration under the Scheme does not confer an Executive Director or employee with any rights whatsoever under or to participate in the Scheme.
- 4.5 The selection of any Executive Director or employee for participation in the Scheme shall be made by the ESOS Committee whose decision shall be final and binding.
- 4.6 In the event an Executive Director becomes a Non-Executive Director, the person shall not be entitled to receive any further Offers during his duration as a Non-Executive Director.
- 4.7 Notwithstanding By-Law 4.6, in the event the Executive Director becomes a Non-Executive Director, the Non-Executive Director shall continue to be entitled to exercise the Options offered to him during his tenure as an Executive Director in accordance with these By-Laws.

5. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

- 5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of Options that may be granted to an Eligible Person shall be determined entirely at the sole and absolute discretion of the ESOS Committee ("**Maximum Allowable Allocation**") provided that:
- (a) the Executive Directors and Senior Management do not participate in the deliberation or discussion of their own allocation and the allocation to any person connected with them;
 - (b) no allocation of more than fifty percent (50%) of the total Options shall be made in aggregate to the Executive Directors and Senior Management of the DIALOG Group; and
 - (c) no allocation of more than ten percent (10%) of the Maximum Scheme Shares shall be made to any Eligible Person who, either singly or collectively through persons connected with them, holds more than twenty percent (20%) of the total number of issued ordinary shares of DIALOG (excluding treasury shares, if any).

- 5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESOS Committee shall determine, at its sole and absolute discretion, the actual number of Options to be allocated to a Participant and the vesting period (if any) after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the duration of the Scheme Period relating to employees' and/or director's share issuance scheme and various factors pertaining to the Participant such as position, ranking, performance, seniority, the length of service, contribution and potential contribution to the continued success of the Group and any other factors deemed appropriate by the ESOS Committee.
- 5.3 The ESOS Committee shall ensure that:
- (a) the allocation of DIALOG Shares to Participants is verified at the end of each financial year of DIALOG by DIALOG's audit committee, as being in compliance with the criteria referred to in By-Law 5.1; and
 - (b) a statement by the audit committee, verifying such allocation, is included in DIALOG's annual report.
- 5.4 In the event a Participant is promoted, such promoted Participant may be eligible for consideration for additional Options to be decided by the ESOS Committee at its sole and absolute discretion provided that the Maximum Scheme Shares has not been exceeded. The ESOS Committee, however, has the sole and absolute discretion not to make any further Offer in the event the balance of the DIALOG Shares available is inadequate to make a meaningful additional allotment.
- 5.5 In the event a Participant is demoted to a lower grade for any reason whatsoever, such Participant shall only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him before such demotion. Where he has accepted an Offer which exceeds the Maximum Allowable Allotment applicable to that lower grade, he shall not be entitled to any further allocation.

6. SCHEME DURATION AND TERMINATION OF THE SCHEME

- 6.1 The effective date on which the Scheme takes effect shall be such date after all of the following conditions have been fulfilled or satisfied ("**Effective Date**"):
- (a) receipt of the approval or approval-in-principle, as the case may be, of Bursa Malaysia for the listing of and quotation for the DIALOG Shares on Bursa Malaysia to be issued pursuant to the Scheme;
 - (b) approval of the shareholders of DIALOG in a general meeting for the Scheme;
 - (c) the submission to Bursa Malaysia of the final copy of the By-Laws;
 - (d) receipt of approval of any other relevant authorities, where applicable; and
 - (e) fulfilment or waiver (as the case may be) of all conditions attached to any of the above mentioned approvals (if any).

The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of ten (10) years ("**Scheme Period**").

- 6.2 Within five (5) Market Days from the Effective Date, DIALOG shall through the Adviser submit a confirmation letter to Bursa Malaysia of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date of the Scheme, together with a certified true copy of the relevant resolution passed by the shareholders of DIALOG in the general meeting approving the Scheme.

- 6.3 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Malaysia and any other applicable law, the Scheme may be terminated by DIALOG at its sole and absolute discretion upon recommendation by the ESOS Committee at any time during the Scheme Period by written notice to the affected Participants, without obtaining the approvals from the Participants whereupon no further Options shall be vested, no further Offer shall be made by the ESOS Committee and any unaccepted Offer, Unexercised Options shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice ("**Termination Date**") provided that the ESOS Committee may in its discretion, permit the vesting of any Options to the Participant, the acceptance of any outstanding Offer by the Eligible Person, and/or the exercise of any Unexercised Options by the Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Vesting Date is not due or has not occurred;
 - (b) the Option Period has not commenced; and/or
 - (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 6.4 The Scheme may be terminated by the Company at any time during the duration of the Scheme and the Company shall make an announcement immediately to Bursa Malaysia and comply with the requirements of Bursa Malaysia or any other relevant authorities. The announcement shall include:
- (a) the effective date of termination;
 - (b) the number of Options exercised; and
 - (c) the reasons for termination.

7. RETENTION PERIOD

- 7.1 The DIALOG Shares to be allotted and issued to a Participant pursuant to the Scheme may be subject to any retention period and/or such other restrictions of transfer as the ESOS Committee may in its discretion stipulate in the Offer, which is envisaged to take into consideration factors such as, *inter alia*, the Eligible Person's appraisal feedback as well as his/her position and seniority within the Group.
- 7.2 The expression "retention period" referred to in By-Law 7.1 shall mean the period in which the DIALOG Shares allotted and issued, pursuant to this Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant.

8. OFFER UNDER THE SCHEME

- 8.1 The ESOS Committee may from time to time during the Scheme Period, make an Offer to an Eligible Person to participate in the Scheme. The ESOS Committee shall have the sole and absolute discretion in determining whether the Options will be offered in one (1) single offer or several offers.
- 8.2 Nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person provided always that the aggregate number of DIALOG Shares in respect of the Options granted shall not exceed the Maximum Allowable Allocation.

- 8.3 In the event the ESOS Committee decides to make more than one (1) Offer to an Eligible Person, the number of Options to be offered in each Offer shall be decided by the ESOS Committee at its sole and absolute discretion. Each Offer shall be separate and independent from the other.

9. TERMS OF THE OFFER

- 9.1 The ESOS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.

- 9.2 The terms and conditions set out in the letter of the Offer may include the following, where applicable:

- (a) Exercise Price;
- (b) number of DIALOG Shares entitled to be received upon the exercise of the Option;
- (c) Option Period;
- (d) Offer Period;
- (e) Vesting Date(s);
- (f) Performance Targets;
- (g) Performance Period;

and may include such/any other conditions as may be deemed necessary by the ESOS Committee.

- 9.3 In the event of any error in the stating of any particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESOS Committee may, to the extent permitted by law, issue a supplemental Offer stating the correct particulars.

10. EXERCISE PRICE

- 10.1 Subject to the Listing Requirements and to any adjustment which may be made under By-Law 18, the Exercise Price shall be determined by the ESOS Committee based on the volume weighted average market price of the DIALOG Shares for the five (5) Market Days immediately preceding the Offer Date with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia or any other relevant authorities from time to time.

11. ACCEPTANCE OF THE OFFER

- 11.1 An Offer may only be accepted by the Eligible Person during the Offer Period in such form and manner as may be prescribed in the Offer and shall be accompanied by a non-refundable consideration sum of Ringgit Malaysia One (RM1.00) only payable to DIALOG (regardless of the number of Shares comprised therein).
- 11.2 The date of receipt by DIALOG of such form together with the consideration sum shall be the date of acceptance of the Offer by the Eligible Person, provided that the Scheme is not terminated pursuant to By-Law 6.3.

- 11.3 Unless the ESOS Committee otherwise decides, in the event the Eligible Person fails to accept the Offer in the manner prescribed within the Offer Period, the Offer shall automatically lapse and shall then be null and void, and the Offer may, at the sole and absolute discretion of the ESOS Committee, be re-offered to other Eligible Persons in accordance with these By-Laws provided that the ESOS Committee shall not be precluded from making a fresh Offer to the Eligible Person subsequently.
- 11.4 The number of DIALOG Shares offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation for the Eligible Person. The Offer not taken up resulting from the non-acceptance of the Offer within the Offer Period shall thereafter form part of the balance of Offers under the Scheme for future Offers.
- 11.5 Upon acceptance of the Offer in accordance with these By-Laws, the Eligible Person shall be referred to as a Participant for the purposes of these By-Laws.

12. SATISFACTION OF CONDITIONS

- 12.1 The determination as to whether the stipulated conditions in the Offer and criteria in By-Law 4.1 have been fulfilled shall be made by the ESOS Committee.
- 12.2 In the event the conditions stipulated in an Offer in respect of any one or more Participant cannot be fully achieved/satisfied, the ESOS Committee may in its sole and absolute discretion by notice in writing to such Participant(s), waive, vary or revise any condition stipulated in the Offer and/or impose such other conditions as the ESOS Committee deems fit in respect of the vesting of the Options to such Participants.
- 12.3 No Participant shall have any right to or interest in the DIALOG Shares or right to exercise the Options granted to him unless and until the ESOS Committee has made a determination under the provisions of By-Laws 12.1 and on and with effect from the Vesting Date or the date during the Option Period on which the Options are duly exercised and the remittance for the full amount of the monies for the DIALOG Shares in respect of which the Options are exercised is paid pursuant to By-Law 13.
- 12.4 In relation to the DIALOG Shares to be allotted and issued pursuant to an exercise of an Option, the ESOS Committee shall, within eight (8) Market Days after the ESOS Committee's receipt of the Notice of Exercise and remittance for the full amount of monies for DIALOG Shares in respect of which the Option is exercised pursuant to By-Law 13.1 (or such other period as may be prescribed or allowed by Bursa Malaysia):
- (a) credit the relevant number of DIALOG Shares into the CDS Account so notified;
 - (b) despatch a notice of allotment and issue and/or transfer of such DIALOG Shares issued pursuant to the Option to the Participant; and
 - (c) make an application for the quotation of such relevant number of DIALOG Shares issued pursuant to the Option (where applicable).

13. EXERCISE OF OPTIONS

- 13.1 An Option may be exercised by a Participant within the Option Period in full or in part by notice in writing to DIALOG or the ESOS Committee in the prescribed form as may be amended from time to time during the Option Period or in any other manner as may be determined by the ESOS Committee from time to time during the Option Period ("**Notice of Exercise**").
- 13.2 The partial exercise of an Option shall not preclude the Participant from exercising the Option with respect to the balance of Shares comprised in the Options during the Option Period.

- 13.3 Every such notice or any other manner of exercise of an Option referred to in By-Law 13.1 must be in the form prescribed by the ESOS Committee as amended from time to time and be accompanied by a remittance for the full amount in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or other mode acceptable to the ESOS Committee for the full amount of the subscription monies payable for the Shares in respect of which the Option is exercised.
- 13.4 Any failure to comply with the procedures specified by the ESOS Committee or to provide information required by DIALOG in the Notice of Exercise or inaccuracy in the CDS Account number provided in the Notice of Exercise shall result in the Notice of Exercise being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Participant of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the Participant shall be deemed not to have exercised his/her Option.
- 13.5 Subject to the discretion of the ESOS Committee to waive any breach, failure by a Participant to comply with the procedure for an exercise of Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such Option by the Participant.
- 13.6 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any cost, losses, expenses, damages, liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of DIALOG in allotting and issuing and/or transferring the Shares or in procuring Bursa Malaysia to list and quote the Shares subscribed for by a Participant or any delay in receipt or non-receipt by DIALOG of the Notice of Exercise in respect of the Options or for any errors in any Offer of Options.

14. DISCIPLINARY ACTIONS

- 14.1 In the event an Eligible Person is subjected to a Disciplinary Action after an Offer is made but before the acceptance thereof by such Eligible Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Action made or brought against the Eligible Person. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Eligible Person in the event such Disciplinary Action is dismissed and/or found in his favour, or if such Disciplinary Action is withdrawn provided that such Offer is made within the duration of the Scheme Period.
- 14.2 In the event a Participant is subjected to a Disciplinary Action, the right of the Participant to exercise any Unexercised Option shall be suspended pending the outcome of the Disciplinary Action unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Action made or brought against the Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Participant to exercise any Unexercised Option in the event such Disciplinary Action is dismissed and/or found in his favour or if such Disciplinary Action is withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESOS Committee does not reinstate such right of the Participant prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void.

For the avoidance of doubt, where a Disciplinary Action is initiated against a Participant after the exercise by such Participant of his/her Option(s) in accordance with the terms of these By-Laws or after the Participant has been given the right to have the relevant number of Options vested in him on the Vesting Date, shall not affect the right of the Participant to receive the DIALOG Shares pursuant to such exercise of Option.

15. TERMINATION OF OFFERS AND UNEXERCISED OPTION(S)

15.1 Subject to By-Laws 15.2 and 15.3, any Options that have yet to be vested to a Participant and/or any unaccepted Offer in respect of an Eligible Person and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or ceased to be exercisable by a Participant, as the case may be, without any liability to or right to claim against DIALOG, any member of the DIALOG Group, the Board and/or the ESOS Committee upon the occurrence of any one or more of the following events:

- (a) resignation, termination or cessation of employment of an Eligible Person or Participant, for any reason;
- (b) expiry, termination or cessation of a contract of service of an Eligible Person or Participant, for any reason;
- (c) resignation, retirement or removal of an Executive Director, for any reason;
- (d) bankruptcy of an Eligible Person or Participant; or
- (e) any other circumstances prescribed by the ESOS Committee from time to time.

15.2 In the event of the termination or cessation of employment or contract of service of the Eligible Person or Participant with the DIALOG Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under the DIALOG Group's retirement policy;
- (b) retirement before attaining the normal retirement age;
- (c) ill-health, injury, physical or mental disability or mental disorder;
- (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Eligible Person or Participant of voluntary separation scheme offered by DIALOG or a relevant member of the DIALOG Group;
- (e) transfer to any company outside the DIALOG Group at the direction of DIALOG;
- (f) termination or non-renewal of contract of service;
- (g) winding-up or liquidation of a relevant member of the DIALOG Group; or
- (h) any other circumstances which are acceptable to the ESOS Committee in its sole and absolute discretion;

the ESOS Committee may in its discretion permit the exercise of any Unexercised Option by the Participant at any time until a prescribed date subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied;

provided that unless the ESOS Committee in its sole and absolute discretion so permits such vesting or exercise, as the case may be by notice in writing to the Participant, any unaccepted Offer and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against DIALOG and/or ESOS Committee.

- 15.3 The ESOS Committee shall be entitled to exercise its powers, rights and discretion conferred under By Law 15.2 in the event of death of a Participant and may permit the Participant's legal or personal representatives, or such other person nominated by the Participant to exercise the rights of the Participant.
- 15.4 Any unaccepted Offer and/or Unexercised Option that ceases to be capable of being exercised by a Participant, pursuant to this By-Law 15, will continue to be available under the Scheme.
- 15.5 Any unaccepted Offer, and/or Unexercised Option shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against DIALOG and/or ESOS Committee upon the occurrence of one or more of the following events:
- (a) winding-up or liquidation of DIALOG; or
 - (b) termination of the Scheme pursuant to By-Law 6.

16. TAKEOVER AND DISPOSAL OF ASSETS

- 16.1 In the event of:
- (a) a take-over offer being made for DIALOG through a general offer to acquire the whole of the issued ordinary shares of DIALOG (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) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional; 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 DIALOG that it intends to exercise such right on a specific date; or
 - (c) the entry into and carrying into effect of a contract where DIALOG disposes of all or a substantial portion of all of its assets,

upon determination by the ESOS Committee at its sole and absolute discretion, any Unexercised Option may immediately be exercised by a Participant at any time subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

16.2 All Offers and/or Options which the ESOS Committee permits to be vested, accepted or exercisable pursuant to By-Law 16.1 shall unless the ESOS Committee in its sole and absolute discretion determine otherwise, automatically terminate, lapse and shall become null and void to the extent unvested, unaccepted or unexercised by the date prescribed by the ESOS Committee, notwithstanding that the Option Period has not commenced or expired.

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

17.1 In the event of the court sanctioning a compromise or arrangement between DIALOG and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of DIALOG or its amalgamation with any other company or companies the ESOS Committee may upon determination by the ESOS Committee, permit the exercise of any Unexercised Option by the Participant at any time subject to such terms and conditions as may be prescribed, or termination of Options notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

17.2 All Offers and/or Options which the ESOS Committee permits to be vested, accepted or exercisable pursuant to By-Law 17.1 shall, unless the ESOS Committee in its sole and absolute discretion determine otherwise, be automatically terminated, lapse and shall become null and void to the extent unvested, unaccepted or unexercised by the date prescribed by the ESOS Committee, notwithstanding that the Option Period has not commenced or expired.

18. ALTERATION OF CAPITAL

18.1 In the event of any alteration in the capital structure of DIALOG during the Scheme Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of DIALOG Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of DIALOG during the Scheme Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of DIALOG), adjustments in:

- (a) the Exercise Price; and/or
- (b) the number of DIALOG Shares comprised in the Unexercised Options;

shall be made in order to prevent dilution or enlargement provided that no adjustments shall be made in the event of any alteration in the capital structure of DIALOG in respect of which rights/benefits arising therefrom are accrued to the Shares pursuant to By-Law 19.

18.2 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of DIALOG and no adjustments will be made, the ESOS Committee shall inform the Participants of this decision through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.

- 18.3 Subject to By-Law 18.5, any adjustment in the Exercise Price and/or number of DIALOG Shares comprised in the Options shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall, where appropriate and to the extent possible, endeavour to give each Participant the same proportion of the issued ordinary shares of DIALOG as that to which he was previously entitled.
- 18.4 The provisions of By-Laws 18.1, 18.2 and 18.3 shall not apply where a change in the capital structure of DIALOG arises from:
- (a) the issue by DIALOG of DIALOG Shares or other securities convertible into DIALOG Shares or rights to acquire or subscribe for DIALOG Shares in consideration or part consideration for or in connection with any acquisition of any securities, assets or business by the DIALOG Group;
 - (b) a special issue, restricted issue or private placement of DIALOG Shares or other securities;
 - (c) any implementation of a share buy-back arrangement by DIALOG under Section 127 of the Companies Act 2016;
 - (d) the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Companies Act;
 - (e) an issue of DIALOG Shares arising from the exercise of any conversion rights attached to securities convertible to DIALOG Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by DIALOG;
 - (f) an issue of any further Offers or Shares pursuant to the Scheme and the allotment and issuance of DIALOG Shares for the purpose of satisfying Options;
 - (g) any issue of DIALOG Shares arising from a dividend reinvestment scheme which allows DIALOG's shareholders an option to elect their cash dividend entitlements into new DIALOG Shares; and
 - (h) any issue of DIALOG Shares as share dividend as long as it is not a material capital distribution.
- 18.5 All adjustments other than a bonus issue, subdivision or consolidation of shares pursuant to this By-Law 18, shall be confirmed in writing by an approved company auditor or Adviser, who shall act as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable, and such confirmation shall be final and binding on all parties. For the purposes of these By-Laws, an approved company auditor shall have the meaning given in Section 2(1) of the Companies Act.
- 18.6 Any adjustment pursuant to this By-Law 18 shall be made in accordance with the formulae as set out below on the Market Day immediately following the entitlement date for the event giving rise to the adjustment:

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

$$\begin{aligned} \text{New Exercise Price} &= S \times \left[\frac{U}{V} \right] \\ \text{Additional number of Shares} &= T \times \left[\frac{V}{U} \right] - T \end{aligned}$$

where

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

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective, or such period as may be prescribed by Bursa Malaysia.

- (b) If and whenever DIALOG shall make any issue of DIALOG Shares to its ordinary shareholders of DIALOG credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the Options shall be calculated as follows:

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

where

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

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

(c) If and whenever DIALOG shall make:

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

then and in respect of each such case, Exercise 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-Laws 18.5(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Options shall be calculated as follows:

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

where

C = the Current Market Price (as defined in By-Law 18.5(h) below) of each DIALOG Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Malaysia or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for DIALOG Shares by way of rights under By-Law 18.5(c)(ii) above or for securities convertible into DIALOG Shares or securities with rights to acquire or subscribe for DIALOG Shares under By-Law 18.5(c)(iii) above, the value of rights attributable to one (1) DIALOG Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.5(c) hereof, the fair market value, as determined by an auditor of DIALOG, of that portion of the Capital Distribution attributable to one (1) DIALOG Share.

T = as T above

For the purpose of definition (aa) of D above, the “value of the rights attributable to one (1) DIALOG 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 DIALOG Share under the terms of such offer or invitation or subscription price for one (1) additional DIALOG Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) DIALOG Share under the offer or invitation;
- F = the number of DIALOG Shares necessary for the DIALOG shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional DIALOG Share or security convertible into rights to acquire or subscribe for one (1) additional DIALOG Share; and
- D* = the value of rights attributable to one (1) DIALOG Share (as defined below); and

For the purpose of definition D* above, the “value of rights attributable to one (1) DIALOG 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 DIALOG Share under the terms of such offer or invitation to acquire or subscribe for DIALOG Shares; and
- F* = the number of DIALOG Shares necessary for a DIALOG shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional DIALOG Share.

For the purpose of By-Law 18.5(c) hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of DIALOG Shares (not falling under By-Law 18.5(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).

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

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

- (d) If and whenever DIALOG makes an allotment to its ordinary shareholders as provided in By-Law 18.5 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where DIALOG makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) above and the record date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the additional number of Scheme comprised in the Options shall be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in Options

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

where

- B = as B above;
- C = as C above;
- G = the aggregate number of issued DIALOG Shares on the entitlement date;
- H = the aggregate number of new DIALOG Shares under an offer or invitation to acquire or subscribe for DIALOG Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into DIALOG Shares or rights to acquire or subscribe for DIALOG Shares, as the case may be;
- H* = the aggregate number of new DIALOG Shares under an offer or invitation to acquire or subscribe for DIALOG Shares by way of rights;
- I = the subscription price of one (1) additional DIALOG Share under the offer or invitation to acquire or subscribe for DIALOG Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional DIALOG Share, as the case may be;
- I* = the subscription price of one (1) additional DIALOG Share under the offer or invitation to acquire or subscribe for DIALOG Shares; and
- T = as T above.

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

- (e) If and whenever DIALOG makes any offer or invitation to its ordinary shareholders to acquire or subscribe for DIALOG Shares as provided in By-Law 18.5(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for DIALOG Shares as provided in By-Law 18.5(c)(iii) above, the Exercise 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 additional number of Shares comprised in the Options shall be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in Options

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

where

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

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

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

T = as T above.

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

- (f) If and whenever DIALOG makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for DIALOG Shares as provided in By-Law 18.5(c)(ii) above, together with rights to acquire or subscribe for securities convertible into DIALOG Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.5(c)(iii) above, and the record date for the purpose of allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise 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 additional number of Shares comprised in the Options shall be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in Options

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

where

B	=	as B above;
C	=	as C above;
G	=	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.

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

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of DIALOG and requiring an adjustment under By-Laws 18.5(c)(ii), (c)(iii), (d), (e) or (f) above), DIALOG shall issue either any DIALOG Shares or any securities convertible into DIALOG Shares or any rights to acquire or subscribe for DIALOG Shares, and in any such case, the Total Effective Consideration per DIALOG Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) DIALOG Share (as defined below) or, as the case may be, the price at which the DIALOG Shares will be allotted and issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

where

L	=	the number of DIALOG 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 DIALOG 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 DIALOG Shares so issued or, in the case of securities convertible into DIALOG Shares or rights to acquire or subscribe for DIALOG Shares, the maximum number (assuming no adjustment of such rights) of DIALOG Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 18.5(g), the “Total Effective Consideration” shall be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

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

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

For the purpose of By-Law 18.5(g), the Average Price of a DIALOG Share shall be the average price of one (1) DIALOG Share as derived from the last dealt prices for one or more board lots of DIALOG Shares as quoted on Bursa Malaysia on the Market Days comprised in the period used as a basis upon which the issue price of such DIALOG Shares is determined.

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

- (h) For the purpose of By-Laws 18.5(c), (d), (e) and (f), the “Current Market Price” in relation to one (1) DIALOG Share for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date.

18.7 If an event occurs that is not set out in By-Law 18.6 or if the application of any of the formulae to an event results in a manifest error or in the opinion of ESOS Committee is not appropriate, the ESOS Committee may agree to an adjustment subject to the provision of By-Law 18.3 provided that the Participants shall be notified of the adjustment through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.

- 18.8 In the event a fraction of an DIALOG Share arises from the adjustments pursuant to this By-Law 18, the number of DIALOG Shares shall automatically be rounded down to the nearest whole number.
- 18.9 The provisions of By-Law 18 shall also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Participant or withdrawn by the ESOS Committee.

19. RIGHTS ATTACHED TO SHARES

- 19.1 The new DIALOG Shares to be allotted and issued upon the exercise of any Options granted under the Scheme, will, upon the allotment and issue:
- (a) be subject to the relevant provisions of the Constitution of DIALOG in relation to their transfer, transmission or otherwise; and
 - (b) rank *pari passu* in all respects with the then existing DIALOG Shares, except that the new DIALOG Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of DIALOG, for which the entitlement date of which is prior to the date of allotment of such DIALOG Shares.
- 19.2 The Options shall not carry any rights to vote at any general meeting of DIALOG.

20. ADMINISTRATION

- 20.1 The Scheme shall be implemented and administered by the ESOS Committee consisting of such persons from the Board and/or Senior Management of the Group, appointed by the Board from time to time.
- 20.2 Subject to these By-Laws and Terms of Reference, the ESOS Committee shall administer the Scheme in such manner as it shall in its sole and absolute discretion deem fit and with such powers and duties as are conferred upon it by the Board.
- 20.3 For the purpose of administering the Scheme, the ESOS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESOS Committee may in its sole and absolute discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 20.4 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee;
 - (b) make, issue and/or amend the Terms of Reference at any time and from time to time; and
 - (c) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws.

21. QUOTATION

- 21.1 The new DIALOG Shares to be allotted will not be listed or quoted on the Main Market of Bursa Malaysia until an application is made to Bursa Malaysia for such listing and quotation of the new DIALOG Shares.

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

- 22.1 Subject to By-Law 22.2 and compliance with the Listing Requirements and the approvals of any other regulatory authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its sole and absolute discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation.
- 22.2 The approval of the shareholders of DIALOG in a general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except if such addition, amendment, modifications and/or deletion would:
- (a) increase the number of DIALOG Shares available for issuance under the Scheme beyond the Maximum Scheme Shares; or
 - (b) provide an advantage to any Eligible Person or group of Eligible Persons or all the Eligible Persons in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless otherwise permitted under the provisions of the Listing Requirements.
- 22.3 Where any addition, amendment, modifications and/or deletion is made to these By-Laws, DIALOG shall within five (5) Market Days from the effective date of said amendment and/or modification, cause to be submitted to Bursa Malaysia the amended and/or modified By-Laws and a confirmation letter that such amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements.

23. NON-TRANSFERABILITY

- 23.1 The rights of a Participant under an exercise of Options shall be personal to him and cannot be assigned, transferred, disposed of, or otherwise subjected to encumbrances in any manner whatsoever unless By-Laws 15.3 applies. Any such attempt to assign, transfer, dispose or encumber any Options shall result in the automatic cancellation of such Options.

24. DISPUTES

- 24.1 In the event of any dispute between the ESOS Committee with an Eligible Person or any Participant or group of Participants, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.
- 24.2 Notwithstanding the foregoing provisions of By-Law 24.1 above, matters concerning adjustments made pursuant to By-Law 18 shall be referred to external auditors of DIALOG or Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

25. SCHEME NOT A TERM OF EMPLOYMENT/ CONTRACT OF SERVICE

- 25.1 This Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment or contract of service of any Eligible Person. This Scheme shall not confer or be construed to confer on any Eligible Person any special rights or privileges over the Eligible Persons' terms and conditions of employment or contract of service in the DIALOG Group nor any rights in addition to compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service.

26. COMPENSATION

- 26.1 No Eligible Persons or Participants who cease to hold office in or employment or under a contract of service with the DIALOG Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.
- 26.2 DIALOG, the Board or the ESOS Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person or Participant or legal or personal representatives or such other person nominated by the Participant, whatsoever and howsoever arising from the suspension or termination of rights to exercise his Options, ceasing to be valid pursuant to the provisions of these By-Laws.

27. DIVESTMENT FROM THE GROUP

- 27.1 If a Participant who held office or was in the employment or under a contract of service with a corporation of the DIALOG Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the ESOS Committee may in its sole and absolute discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed, or termination of Options notwithstanding that:
- (a) the Option Period has not commenced; and/or
 - (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 27.2 All Options which may be allowed by the ESOS Committee to be exercisable under By-Law 27.1(b), to the extent unexercised by the date prescribed by the ESOS Committee, shall automatically lapse and shall become null and void.

28. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP

- 28.1 Notwithstanding By-Law 15.1, in the event a Participant who was employed in a corporation within the Group and is subsequently transferred from such corporation to a corporation not within the Group ("**Affected Participant**"), the Affected Participant shall continue to be entitled to exercise any Unexercised Options, upon the same terms and conditions as may be set out in the Offer.
- 28.2 In the event a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving DIALOG and/or any company within the Group, such person will, if he satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Scheme Period at the sole and absolute discretion of the ESOS Committee.

29. COSTS, EXPENSES AND TAXES

- 29.1 DIALOG shall bear all fees, costs and expenses (including but not limited to administrative and handling charges) incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue and allotment of DIALOG Shares pursuant to the exercise of the Options.
- 29.2 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to By-Law 29.1 or relating to the exercise of any Options and any holding or dealing of such DIALOG Shares (such as, but not limited to brokerage commissions and stamp duty) shall be borne by that Participant and DIALOG shall not be liable for any of such costs, fees, levies, charges and/or taxes.

30. CONSTITUTION

- 30.1 Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between any provision of these By-Laws and the Constitution of DIALOG and/or the Listing Requirements, the provisions of the Constitution of DIALOG and/or the Listing Requirements shall prevail to the extent of such conflict.

31. ERRORS AND OMISSIONS

- 31.1 If, in consequence of an error or omission, the ESOS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESOS Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion;
 - (b) the number of DIALOG Shares comprised in an Option on any occasion is found to be incorrect; or
 - (c) the number of the DIALOG Shares allotted and issued to any Participant (including those allotted and issued pursuant to the vesting of the DIALOG Shares pursuant to the exercise of Options) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Participant is given the opportunity to participate in the Scheme and/or the aggregate number of DIALOG Shares to which the Participant is correctly entitled to is credited into his CDS Account.

32. NOTICES

- 32.1 Any notice or request under the Scheme required to be given to or served upon the ESOS Committee by an Eligible Person or Participant or any correspondence to be made between an Eligible Person or Participant to the ESOS Committee shall be given or made in writing and sent to the registered office of DIALOG or such other office which the ESOS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered letter.
- 32.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person or Participant or correspondence to be made with an Eligible Person or Participant shall be deemed to be sufficiently given, served or made:
- (a) if it is sent by ordinary post to the Eligible Person or the Participant at the last address known to DIALOG as being his address, such notice shall be deemed to have been received three (3) Market Days after posting; or

- (b) if it is given by hand to the Eligible Person or the Participant, such notice or request shall be deemed to have been received on the date of delivery;
- (c) if it is transmitted by facsimile, such notice or request shall be deemed to have been received, upon the printing of the transmission log print-out indicating the date, time and transmission of all the pages; or
- (d) if it is sent by electronic media, including but not limited to electronic mail, or via a general or specific notice placed on any human resource electronic management system to the Eligible Person or the Participant, such notice or request shall be deemed to have been received upon the said notice or request being sent by DIALOG.

32.3 Notwithstanding By-Law 32.2, where any notice is required to be given by DIALOG or the ESOS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or Participants, as the case may be, DIALOG or ESOS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under By-Law 32.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Participants.

33. SEVERABILITY

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

34. DELAY OF PERFORMANCE

34.1 The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the control of DIALOG or the ESOS Committee.

35. DISCLAIMER OF LIABILITY

35.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the ESOS Committee and DIALOG shall not under any circumstances be liable for any cost, loss, expense, damage, liability whatsoever incurred, arising and/or suffered by any Participant by reason of the following, including but not limited to:

- (a) DIALOG and/or ESOS Committee's delay in allotting and issuing new DIALOG Shares and/or applying for or procuring the listing of the new DIALOG Shares on Bursa Malaysia in accordance with these By-Laws for any reason whatsoever; and/or
- (b) any other matter or dealing outside the control of DIALOG.

35.2 The Participant shall at all times indemnify and keep DIALOG indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by DIALOG at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform and/or observe the terms and conditions and stipulations of the By-Laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-Laws by the Participant or that may be incurred suffered or sustained by DIALOG as a result thereof and the Participant shall promptly upon a demand being made by DIALOG pay to DIALOG all amounts so paid incurred suffered or sustained by DIALOG.

36. DECISION OF THE ESOS COMMITTEE

36.1 Any decision and/or determination made by the ESOS Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

37. GOVERNING LAW

37.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Participant, by accepting the Offer irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

37.2 Any proceeding or action shall be instituted or taken in Malaysia and the Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

37.3 In order to facilitate the making of any Offer under the Scheme, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the DIALOG Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, 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 affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of DIALOG 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 the Scheme, as then in effect, unless the Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

37.4 No action has been or will be taken by DIALOG to make an Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken by DIALOG to ensure compliance by the Eligible Person to whom an Offer is made, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the Offer.

37.5 Any Eligible Person to whom an Offer is made is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Offer. By their acceptance of the Offer, each Participant has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the Offer.