



Connecting You To The Future

AMTEL HOLDINGS BERHAD
199601037096 (409449-A)

Extraordinary General Meeting
25 May 2022

MSWG

QUESTIONS & ANSWERS

EXTRAORDINARY GENERAL MEETING

Question 1 (a)

Proposed Establishment of a Long-Term Incentive Plan Which Comprises Proposed Employees' Shares Option Scheme (ESOS) ("Proposed LTIP") & Proposed Allocation of LTIP Awards to the directors of AHB

In line with better corporate governance, MSWG does not encourage the practice of giving ESOS options to non-executive directors (NEDs) as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the ESOS options allocation to employees and executive directors.

Furthermore, ESOS, by definition, refers to a scheme for employees only.

There is also the risk that the NEDs may be fixated with the share price of the Company and this may affect their impartial decision-making, which should be made without reference to share price considerations.

Under the Proposed allocation of LTIP Awards to the directors of AHB, there are three NEDs namely YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, Mr. Siow Hock Lee, and Mr. Ir. Chew Yook Boo, who are eligible to subscribe for new AHB Shares (Ordinary Resolutions 2,5 and 7, Notice of EGM).

- a) **Why is the ESOS extended to the three NEDs since they do not perform executive roles? Should not the directors' fee and other benefits they receive be adequate to compensate the services rendered by them?**

EXTRAORDINARY GENERAL MEETING

Answer for Question 1 (a)

The non-executive directors, namely YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, Mr. Siow Hock Lee and Mr. Ir. Chew Yook Boo are allowed to participate in the proposed ESOS in recognition of their contributions towards the growth and performance of the AHB and its subsidiaries (“Group”) and to promote the culture of inclusivity within our Group. Specifically, the non-executive directors (who have a diverse professional background and experience) have been able to advise the Board of Directors of AHB (“Board”) in the aspects of corporate governance, risk management, business management and finance-related matters. Further, the non-executive directors have been working closely with the executive directors of AHB as well as contributing to the decision-making process of the Board. This is stated in Section 4 of our circular to the shareholders of AHB dated 28 April 2022 (“Circular”).

Further, the participation of non-executive directors in the proposed ESOS is also intended to incentivise the directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance. This is stated in Section 2.3(ii)(d) of our Circular. A sense of (their) inclusion is particularly pertinent for the Board to unite in confronting and overcoming challenges in these times of uncertainty brought about by the COVID-19 pandemic and other threats.

EXTRAORDINARY GENERAL MEETING

Question 1 (b)

b) Considering the non-executive role of these directors in AHB, what is their view on the ESOS scheme? Are they keen to accept the shares if the ESOS options are offered to them?

The non-executive directors are pleased to participate in the proposed ESOS. However, they leave it to the shareholders to decide whether they will be given the opportunity. It should be noted that the non-executive directors will continue to abstain from all deliberations and voting in respect of any specific allocation to themselves at the relevant Board meetings. In addition, they will also abstain from voting and have undertaken that persons connected to them will abstain from voting in respect of their direct / indirect shareholdings in AHB on the resolutions pertaining to their respective proposed allocations.

Thank You

Copyright (c) 2021 by AMTEL Group of Companies.

This document is copyrighted by AMTEL Group of Companies. All rights are reserved.

This document may not, in whole or in part, be copied, photo-copied, reproduced, translated, or reduced to any electronic medium or machine-readable form without permission of AMTEL Group of Companies.