

MARINE & GENERAL BERHAD
(formerly known as SILK Holdings Berhad)
(Company No. 405897-V)
(Incorporated in Malaysia)

DIVIDEND REINVESTMENT PLAN STATEMENT

(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 of the Terms and Conditions (as defined below) governing this Dividend Reinvestment Plan Statement)

This Dividend Reinvestment Plan Statement contains the terms and conditions of the Dividend Reinvestment Plan of Marine & General Berhad (formerly known as SILK Holdings Berhad) (“**M&G**” or “**Company**”) (“**Terms and Conditions**”) under which persons registered in the Record of Depositors of the Company, as the shareholders of M&G may, in relation to any Dividend, be given the option to reinvest the whole or only a portion of the Dividend in new Shares (“**Reinvestment Option**”) as the Board of Directors of the Company (“**Board**”) may, at its absolute discretion, make available (“**DRP**”).

Irrespective of whether an election is made by shareholders, a tax voucher in relation to the Dividend will be issued and despatched to all shareholders. The election for the Reinvestment Option does not relieve shareholders of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

Unless the Board has determined that the DRP will apply to a particular Dividend, all Dividends as may be declared by M&G will be paid wholly in cash to the shareholders in the usual manner through a Dividend Payment Account.

SUMMARY OF THE DRP

The DRP will provide shareholders with an option to reinvest their cash dividend(s) in new Shares instead of receiving it in cash.

The Board may, in its absolute discretion, determine whether to offer to shareholders the Reinvestment Option. The remaining portion of the Dividend, if any, will be paid in cash.

The proportion of such Dividend to which the Reinvestment Option applies is referred to as the **Electable Portion**. In this respect, the Electable Portion may include the whole Dividend declared or only a portion of the Dividend.

In respect of the Reinvestment Option, each shareholder has the following options:

(i) Option 1

- (a) elect to participate and thereby reinvest in whole or in part the Electable Portion at an Issue Price to be declared by the Board on a Price Fixing Date to be announced later; and
- (b) receive the Cash Portion, if applicable, in cash.

(ii) Option 2

Elect not to participate and receive the entire Dividend in cash.

An approval for the listing of and quotation for the new Shares on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the Entitlement Date will be made after receiving the said approval from Bursa Securities. The issue price of the new Shares to be issued pursuant to the DRP (“**Issue Price**”) shall be announced on or before the announcement of the Entitlement Date.

Subsequently, a Notice of Election will be despatched to the shareholders. Instructions will be provided in the Notice of Election in respect of the action to be undertaken by the shareholders to exercise the Electable Portion. The Expiry Date will be stated in the Notice of Election and shall be at least 14 days from the despatch of the Notice of Election pursuant to Paragraph 6.45C of the Main Market Listing Requirements.

An announcement will also be made in respect of the listing of and quotation for the new Shares to be issued pursuant to the exercise by the shareholders of the Reinvestment Option on the Main Market of Bursa Securities.

Under the DRP, shareholders who elect to exercise the Reinvestment Option shall not be allotted fractional shares. As such, the amount of Dividend relating to such fractional shares will be paid in cash to the shareholders in the usual manner.

Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing to participate in the DRP according to its Terms and Conditions. As such, shareholders need not take any action if they wish to receive their Electable Portion in cash.

ISSUE PRICE

The Issue Price shall be the adjusted volume weighted average market price (“**VWAP**”) for the 5 market days immediately prior to the Price Fixing Date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount.

The new Shares will be issued free from any brokerage or fees to shareholders unless otherwise provided by any statute, law or regulation.

HOW TO PARTICIPATE

Participation in the DRP is optional and not transferable. A shareholder wishing to reinvest in new Shares in respect of any Electable Portion must complete the Notice of Election and return it to the share registrar of M&G in accordance with the instructions as prescribed therein.

A shareholder receiving more than 1 Notice of Election and wishing to reinvest in new Shares in respect of all of his entitlement to the Electable Portion must complete all Notices of Election received by him and return the completed Notices of Election to the share registrar of M&G. Shareholders should note that they are at liberty to decide which particular Notice of Election they wish to elect for the reinvestment in new Shares. Where any particular Notice of Election is not elected upon, the Dividend relating thereto will be received in cash by the shareholders in the usual manner.

To be effective in respect of any exercise of the Reinvestment Option to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the share registrar of M&G no later than the Expiry Date stated in the Notice of Election in respect of that particular Reinvestment Option.

All shareholders are eligible to participate in the DRP, provided that:

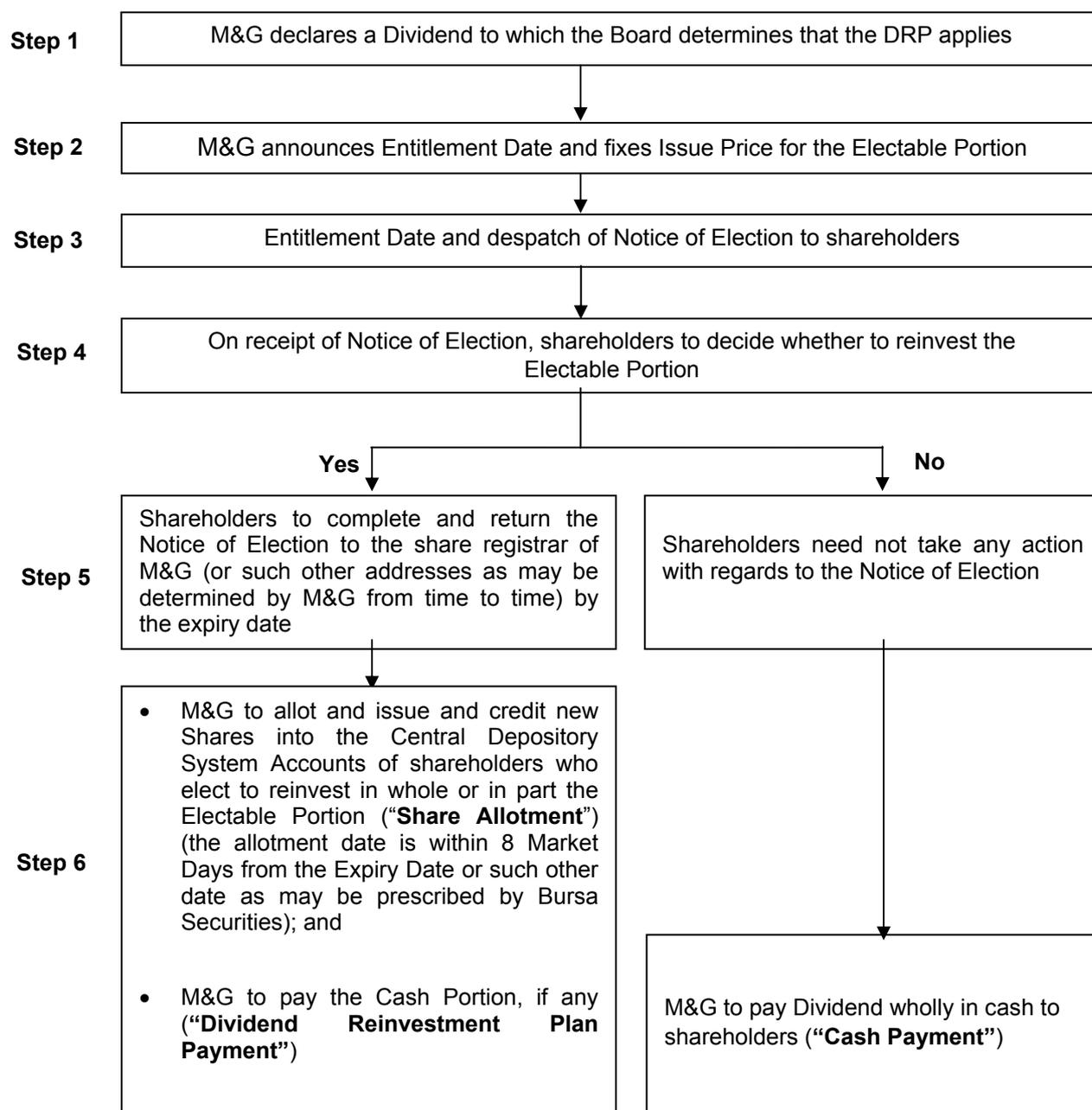
- (i) such participation will not result in a breach of any restrictions on their holding of M&G Shares which may be imposed by any of their contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities as the case may be (unless the requisite approval under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts); or
- (ii) there are no restrictions for such participation as prescribed in our Constitution.

Shareholders should however note that to avoid any violation on the part of M&G of the securities laws applicable outside Malaysia, the Notice of Election will not be sent to Foreign Addressed Shareholders unless such Foreign Addressed Shareholders provide the share registrar with their respective address in Malaysia no later than the relevant Entitlement Date.

Shareholders should note that under the DRP:

- (a) in exercising the Reinvestment Option, they are at their liberty to reinvest in whole or in part the Electable Portion to which a Notice of Election relates; and
- (b) their right to exercise the Reinvestment Option is non-transferable.

The process flow chart illustrating how the DRP is intended to be administered is set out below.



Note:

The Cash Payment, the Share Allotment and the Dividend Reinvestment Plan Payment will occur on the same day, which will be within 1 month from the Entitlement Date and in any event, within 3 months from the date of the declaration of the Dividend or the date on which the approval is obtained in an annual/extraordinary general meeting of M&G, whichever is applicable.

Shareholders who wish to receive the Dividend wholly in cash do not need to take any action.

Shareholders will, by default, receive the Dividend in cash if they do not expressly elect in writing to participate in the DRP according to its terms.

1. ESTABLISHMENT

The DRP has been established by the Board.

2. TERM AND CONDITIONS

In these Terms and Conditions, the following definitions shall apply:

“Allotment Date”	:	Date of allotment of new Shares which falls within 8 Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities
“Balance of the Electable Portion”	:	Balance of the Electable Portion not reinvested into new M&G Shares and/or the fractional entitlement of new M&G Share in relation to the Electable Portion under the DRP, whichever is applicable, of which will be paid to the shareholder in cash in the usual manner
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W)
“Cash Portion”	:	The proportion of such Dividend to which the Reinvestment Option does not apply
“Constitution”	:	The Constitution of M&G
“Dividend”	:	Cash dividend(s) declared by M&G (either an interim, final, special or any other dividend)
“Dividend Payment Account”	:	The non-interest bearing account opened with Malayan Banking Berhad to facilitate the payment of Dividend
“Electable Portion”	:	The whole or a portion of the Dividend (after the deduction of the applicable income tax), as the Board may at its absolute discretion determine, for which the Reinvestment Option applies
“Entitlement Date”	:	The date to be determined by our Board and announced later, on which the names of our shareholders must be registered in the Record of Depositors of M&G in order to be eligible to participate in the DRP applicable to a Dividend
“Expiry Date”	:	The last day (which will be a date to be fixed and announced by the Board and shall not be less than 14 days from the date of despatch of the Notice of Election) by which the duly completed Notice of Election must be received by the share registrar of M&G
“Foreign Addressed Shareholders”	:	Shareholders whose registered address in the Company’s Record of Depositors is not in Malaysia
“Issue Price”	:	The issue price of the new Shares to be issued pursuant to the DRP

“M&G Shares” or “Shares”	:	Ordinary shares in M&G
“Market Day(s)”	:	Any day between Monday and Friday (both inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
“Notice of Election”	:	Notice of election by which shareholders confirm their exercise of the Reinvestment Option
“Participating Shareholders”	:	Shareholders who elect to exercise the Reinvestment Option pursuant to the DRP to the extent of Electable Portion in respect of their holdings of M&G Shares as at each Entitlement Date to which each notice of Election received by them relates
“Price Fixing Date”	:	A date to be determined by the Board on which the Issue Price will be determined
“Rules”	:	The Rules on Take-overs, Mergers and Compulsory Acquisitions
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“VWAP”	:	Volume-weighted average market price

3. ELIGIBILITY

All shareholders are eligible to participate in the DRP, subject to:

- (i) restriction to shareholders with registered addresses outside Malaysia as at the relevant Entitlement Date for the Dividend to which the DRP applies. The Notice of Election will not be sent to shareholders whose address in the Company’s Record of Depositors is not in Malaysia to avoid any violation on the part of M&G of the securities laws applicable outside Malaysia; and
- (ii) the requirement that such participation by the shareholders will not result in a breach of any other restriction on such shareholder’s holding of the Shares which may be imposed by statute, law or regulation in force in Malaysia or any other relevant jurisdiction or prescribed in our Constitution.

4. FOREIGN ADDRESSED SHAREHOLDERS

To avoid any violation on the part of the Company of the securities laws applicable outside of Malaysia, the Notice of Election and any other documents relating to the DRP will not be sent to Foreign Addressed Shareholders. Foreign Addressed Shareholders shall have no claim whatsoever against the Company as a result of such documents not being despatched to them. Foreign Addressed Shareholders who received or come to have in their possession a Notice of Election may not treat it as being applicable to them (except where the Notice of Election is collected from the share registrar of M&G as provided below) and are, in any event, advised to inform themselves of, and to observe, any prohibitions and restrictions and to comply with any applicable laws and regulations relating to the DRP as may be applicable.

Foreign Addressed Shareholders may collect the documents relating to the DRP from the share registrar of M&G at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan or at such address as may be announced by the Company from time to time and the share registrar of M&G may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the Notice of Election; or alternatively, provide the share registrar of M&G with their respective address in Malaysia not later than 3 Market Days before the relevant Entitlement Date in respect of any Dividend to which the Board has determined that the DRP shall apply.

Foreign Addressed Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Foreign Addressed Shareholders in the DRP will be on the basis that they may lawfully so participate without the Company, its Directors and employees and its advisers and the employees of the advisers being in breach of the laws of any jurisdiction.

5. NOTICE OF ELECTION

Subsequent to the Entitlement Date, a Notice of Election will be despatched to shareholders. The Notice of Election will contain the instructions with respect to the action that is required to be taken by shareholders to exercise the Reinvestment Option and will also state the Expiry Date. The Notice of Election and any other documents relating to the DRP will not be sent to Foreign Addressed Shareholders.

The Company will, at its discretion, send to each shareholder 1 or more Notices of Election in relation to each Central Depository System account held by the shareholder. To be effective in respect of any exercise of the Reinvestment Option, a duly completed Notice of Election must be received by the share registrar of M&G, no later than the Expiry Date. A shareholder receiving two or more Notices of Election may elect to reinvest in new Shares in respect of his entitlement to which 1 Notice of Election relates and decline to reinvest in new Shares in respect of his entitlement to which any other Notice(s) of Election relates. A shareholder receiving 2 or more Notices of Election and wishing to reinvest in new Shares in respect of all of his entitlement to the Electable Portion in respect of all his holding of M&G Shares must duly complete all the Notices of Election received by him and return the completed Notices of Election to the office of the share registrar of M&G, no later than the Expiry Date specified in the Notice of Election.

A Notice of Election in respect of any Electable Portion shall not, upon its receipt by the Company be withdrawn or cancelled.

The Company has the discretion and right to accept or reject any Notice of Election that is incomplete, contains errors or is otherwise defective. The Company is under no obligation to correct invalid Notices of Election on behalf of any shareholder or to provide any reason for rejecting any Notice of Election.

By electing to participate in the DRP, the Participating Shareholders unconditionally:

- (i) warrants to the Company that it has the legal right and full power and authority to participate in the DRP and that its participation in DRP will not result in a breach of any law or regulation or contractual obligation by which it is bound;
- (ii) acknowledges that the Company may at any time determine whether the Participating Shareholder's Notice of Election or other form (collectively, "**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (iii) acknowledges that the Company may accept or reject any Form and agrees that the Company need not provide any reason therefore;

- (iv) acknowledges that the Company has not provided the Participating Shareholder with investment advice or any other advice;
- (v) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the DRP;
- (vi) submits to the jurisdiction of Malaysian Courts, in each case, at all times until termination of the DRP; and
- (vii) agrees that notwithstanding any other provisions, the Terms and Conditions of the DRP set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the DRP shall apply to any Dividend and before the allotment and issuance of the new Shares in respect of any Electable Portion reinvested, where the Board considers that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the DRP in respect of the Electable Portion and regardless whether the Reinvestment Option is exercised by the shareholders, the Board may, at their absolute discretion and as they deem fit in the interest of the Company and without assigning any reason thereof, cancel the application of the DRP. In such event, the Electable Portion shall be paid in cash to the shareholders in the usual manner.

6. EXTENT OF APPLICATION OF DRP TO EACH ELECTABLE PORTION

The Board may, at its absolute discretion, determine in respect of any Dividend, whether the DRP shall apply and if so, whether the Electable Portion is for the whole or a portion of the Dividend. If, in its absolute discretion, the Board has not determined that the DRP is to apply to a particular Dividend, such Dividend shall be paid in cash to the shareholders in the usual manner through a Dividend Payment Account.

7. SHARE ENTITLEMENT

By electing to participate in the DRP in respect of any Notice of Election received by him, a shareholder elects to reinvest in whole or in part the entire Electable Portion to which such Notice of Election relates.

In respect of any Electable Portion, the number of new Shares to be allotted and issued to the Participating Shareholder electing to reinvest the entire Electable Portion or part thereof in new Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

(a) Maximum share entitlement

$$N = \frac{S \times D}{V}$$

Where:

- N = is the maximum share entitlement to be allotted and issued as fully paid-up to the Participating Shareholder in respect of such Notice of Election
- S = is the number of M&G Shares held by the Participating Shareholder as at the Entitlement Date to which such Notice of Election relates

- D = is the Electable Portion to which such Notice of Election relates
- V = is the Issue Price, which, for the purpose of the DRP, shall be an amount in RM as determined by the Board based on the adjusted VWAP for the 5 Market Days immediately prior to a Price Fixing Date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price

Any fractional entitlement of new Shares computed in accordance to the above formula will be paid in cash to the Participating Shareholders in the usual manner.

The shareholding of a shareholder in M&G will be diluted should he not exercise his Reinvestment Option. However, the extent of the dilution will depend on the number of new Shares issued by M&G pursuant to the level of exercise of the option to exercise by other shareholders as a whole.

Example

The Board has on 21 June 2017, declared a special dividend of 10 sen per Share and an interim dividend of 5 sen per Share for the financial year ending 31 December 2017 (collectively, the “**2017 Dividends**”). The Board determined that the DRP shall apply to the entire portion of the 2017 Dividends.

The Board has also fixed the Issue Price at RM0.32 per new Share on 21 June 2017. The Issue Price represents a 9.25% discount to the adjusted 5-day VWAP of the Shares immediately prior to the Price Fixing Date. The 5-day VWAP of the Shares immediately prior to the Price Fixing Date of RM0.5026 adjusted for the 2017 Dividends per Share of RM0.15 is RM0.3526.

Based on the above, the maximum share entitlement of a shareholder who holds 10,000 M&G Shares at the Entitlement Date will be calculated as follows:

$$\begin{aligned}
 N &= \frac{S \times D}{V} \\
 &= \frac{10,000 \times RM0.15}{RM0.32} \\
 &= 4,687
 \end{aligned}$$

In conclusion, his 2017 Dividends, Electable Portion and the Cash Portion are as follows:

	RM
2017 Dividends of RM0.15 per M&G Share held	1,500.00
<i>Calculation = 10,000 x RM0.15 per M&G Share held</i>	
Less: Electable Portion of RM0.15 per M&G Share held	1,500.00
<i>Calculation = 10,000 x RM0.15 M&G Share</i>	
Cash Portion of M&G Share held	0.00

(b) The Balance of the Electable Portion

Where $B = (S \times D) - (A \times V)$

- B = is the Balance of the Electable Portion in respect of such Notice of Election relates
- S = is the number of M&G Shares held by the Participating Shareholder as at the Entitlement Date to which such Notice of Election relates
- D = is the Electable Portion to which such Notice of Election relates
- A = is the number of new M&G Shares that the Participating Shareholder elects to subscribe for in respect of the Electable Portion to which such Notice of Election relates
- V = is the Issue Price, which, for the purpose of the DRP, shall be an amount in RM as determined by the Board based on the adjusted VWAP for the 5 Market Days immediately prior to a Price Fixing Date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price

The Balance of the Electable Portion will be paid to the Participating Shareholders in cash in the usual manner.

Examples

Scenario 1 - If a Participating Shareholder decides to reinvest the whole Electable Portion into new M&G Shares

Assuming a Participating Shareholder holds 10,000 M&G Shares as at the Entitlement Date and he wishes to subscribe for his maximum share entitlement of 4,687 new M&G Shares calculated based on his entitlement for the Electable Portion as at the Entitlement Date using the formula as per Section 7(a) above, his Balance of the Electable Portion will be calculated as follows:

$$\begin{aligned} B &= (S \times D) - (A \times V) \\ B &= (10,000 \times \text{RM}0.15) - (4,687 \times \text{RM}0.32) \\ B &= \text{RM}1,500.00 - \text{RM}1,499.84 \\ B &= \text{RM}0.16 \end{aligned}$$

Based on the calculation above, the table below shows the total cash amount payable to the participating shareholder based on his election:

	RM
Electable Portion of RM0.15 per M&G Share held	1,500.00
Less: Amount payable for reinvestment at RM0.32 per M&G Share (4,687 x RM0.32)	1,499.84
Balance of the Electable Portion not reinvested	0.16
Add: Cash Portion	0.00
Total cash amount payable	0.16

Scenario 2 - If a participating shareholder decides to reinvest part of the Electable Portion into new M&G Shares

Assuming a Participating Shareholder holds 10,000 M&G Shares as at the Entitlement Date and his maximum share entitlement is 4,687 new M&G Shares calculated based on his entitlement for the Electable Portion as at the Entitlement Date using the formula as per Section 7(a) above. However, he only wishes to subscribe for 1,500 new M&G Shares; hence, his Balance of the Electable Portion will be calculated as follows:

$$\begin{aligned} B &= (S \times D) - (A \times V) \\ B &= (10,000 \times \text{RM}0.15) - (1,500 \times \text{RM}0.32) \\ B &= \text{RM}1,500.00 - \text{RM}480.00 \\ B &= \text{RM}1,020.00 \end{aligned}$$

Based on the aforementioned calculation, the table below shows the total cash amount payable to the Participating Shareholder based on his election:

	RM
Electable Portion of RM0.15 per M&G Share held	1,500.00
Less: Amount payable for reinvestment at RM0.32 per M&G Share (1,500 x RM0.32)	480.00
Balance of the Electable Portion not reinvested	1,020.00
Add: Cash Portion	0.00
Total cash amount payable	1,020.00

8. TERMS OF ALLOTMENT

Unless the Board otherwise determines, all new Shares allotted under the DRP will be allotted as fully paid-up. All such new Shares shall upon allotment and issuance, rank equally in all respects with the existing M&G Shares, except that the holders of new Shares shall not be entitled to any Dividends, rights, allotments and/or other distributions which may be declared, made or paid preceding the date of allotment of the new Shares. It should be noted that since fractional new Shares will not be allotted, any amount of the Dividend payment that is insufficient for the issuance of 1 whole new Share will be received in cash by shareholders in the usual manner.

As the new Shares to be issued pursuant to the DRP are prescribed securities, the new Shares will be credited directly into the respective Central Depository System Accounts of shareholders. No physical share certificate will be issued.

9. ODD LOTS

A shareholder who elects to reinvest the Electable Portion and receive new Shares may be allotted such new Shares in odd lots. Shareholders who receive odd lots of new Shares and who wish to trade such odd lots on Bursa Securities should do so on the Odd Lots Market, which allows trading of odd lots (with a minimum of 1 Share).

10. NOTIFICATION TO PARTICIPATING SHAREHOLDERS

After the Entitlement Date, the Company shall transfer funds amounting to the total net payment of Dividend (i.e. after the deduction of any applicable income tax) from its account to the Dividend Payment Account held in trust for shareholders.

After such transfer of funds, the Dividend in the Dividend Payment Account will be paid and dealt with as follows:

- (i) in respect of shareholders who elect to exercise their Reinvestment Option:
 - (a) their Electable Portion, which such shareholders elect to reinvest in New Shares, will be paid to and reinvested in the Company for new Shares; and
 - (b) receive the Cash Portion, if applicable, in cash.
- (ii) in respect of the shareholders who do not exercise their Reinvestment Option, their entire Dividend will be received in cash.

Thereafter, on the Allotment Date, new Shares will be allotted and issued and notices of allotment will be despatched to shareholders who have elected to exercise their Reinvestment Option.

An announcement will also be made on the listing of and quotation for the new Shares to be issued pursuant to the exercise by the shareholders of the Reinvestment Option on the Main Market of Bursa Securities.

If shareholders do not expressly elect in writing (i.e. by signing and returning the Notice of Election in accordance with the instructions stated therein) to exercise the Reinvestment Option by the Expiry Date, their Dividends will not be reinvested in new Shares and they will receive their Dividends in cash in the usual manner from the Dividend Payment Account. As such, shareholders who do not wish to reinvest their Dividends in new Shares need not take any action with regards to the Notice of Election.

11. COST TO THE PARTICIPATING SHAREHOLDERS

The new Shares will be issued free from any brokerage or fees to Participating Shareholders unless otherwise provided by any statute, law or regulation.

12. CANCELLATION OF APPLICATION OF THE DRP

Notwithstanding any other provisions, the Terms and Conditions of the DRP set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the DRP shall apply to any Dividend and before the allotment and issuance of new Shares in respect of the Electable Portion reinvested, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the DRP in respect of the Electable Portion, the Board may, at its absolute discretion and as it deems fit and in the interest of the Company and without assigning any reason thereof, cancel the application of the DRP to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be received in cash by shareholders in the usual manner.

13. TERMINATION OF THE DRP

Save for any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the DRP may be modified, suspended (in whole or in part) or terminated at any time by the Board as the Board deems fit by giving notice in writing to all shareholders.

In the case of a suspension, the DRP will be suspended in whole or in part, as the case may be, until such time as the Board resolve to recommence or terminate the DRP. If the DRP is recommenced, Participating Shareholders' Notice of Election confirming their participation under the previously suspended DRP will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to shareholders for such recommencement of the DRP which may be notified to all shareholders.

14. GENERAL ADMINISTRATION OF THE DRP

The Board may implement the DRP in the manner it deems fit. The Board has the power to:

- (i) determine procedures, rules and regulations for administration of the DRP consistent with these Terms and Conditions, as may be amended or modified from time to time;
- (ii) settle in such manner as they think fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the DRP) which may arise in connection with the DRP, whether generally or in relation to any Participating Shareholder or any M&G Share and the determination of the Board will be conclusive and binding on all shareholders and other persons to whom the determination relates;
- (iii) delegate to any one or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or in respect of the DRP and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority for the purposes of administering the DRP; and
- (iv) waive strict compliance by the Company or any shareholders with any of these Terms and Conditions.

15. IMPLICATION OF THE RULES AND OTHER SHAREHOLDING LIMITS

(a) The Rules

Under Paragraph 4.01 of the Rules and Section 217 of the Capital Markets and Services Act, 2007, a shareholder may be under an obligation to extend a take-over offer for the remaining shares in the Company not already owned by him and persons acting in concert with him, if by participating in the DRP:

- (i) he, together with persons acting in concert with him (collectively, the “**Affected Party**”) is entitled to exercise or control the exercise of more than 33% of the voting shares of M&G; or
- (ii) where the Affected Party holds more than 33% but less than 50% of the voting shares of M&G, his holding increases by more than 2% in any period of 6 months.

If any of the circumstances above apply, the Affected Party may make an application to the Securities Commission of Malaysia for a waiver from the obligation to undertake a mandatory offer pursuant to the Rules prior to them exercising the Electable Portion.

These statements do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Rules or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Rules as a result of any subscription of Shares through their participation in the DRP are advised to consult their professional advisers at the earliest opportunity.

(b) Other shareholding limits

All shareholders are responsible for ensuring that their participation in the DRP will not result in a breach of any restrictions on their respective holding of the Shares which may be imposed by any of the shareholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts) or as prescribed in the Company's Constitution, as the case may be.

In view of the above, notwithstanding anything to the contrary, should the Board be aware of or be informed in writing of any breach of such shareholding limits as a result of the exercise of the Reinvestment Option by such shareholder, the Board shall be entitled but not obligated (save and except where required by law) to reduce or limit the number of new Shares to be issued to any such shareholder and/or pay to such shareholder, the Electable Portion or any part thereof in cash.

16. GOVERNING LAW

The Dividend Reinvestment Plan Statement and the Terms and Conditions thereof shall be governed by, and construed in accordance with the laws of Malaysia.

17. NOTICES AND STATEMENTS

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Company to a Participating Shareholder shall be given in accordance with provisions of the Company's Constitution.

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