

## MAXIS BERHAD (“MAXIS” OR THE “COMPANY”)

### PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN FOR THE ELIGIBLE EMPLOYEES OF MAXIS AND ITS SUBSIDIARIES (“PROPOSED LTIP”)

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Maxis (“**Board**”), CIMB Investment Bank Berhad (“**CIMB**”) wishes to announce that Maxis proposes to establish and implement a long-term incentive plan for the employees of Maxis and its subsidiaries (excluding subsidiaries which are dormant) (“**Group**”) who fulfill the eligibility criteria set out in section 2.2.3 below (“**Eligible Employees**”).

#### 2. THE PROPOSED LTIP

The Proposed LTIP is intended to allow Maxis to attract, retain, motivate and reward the Eligible Employees through the award of ordinary shares of the Company (“**Maxis Share(s)**”) (“**Grant(s)**”) to be vested to the selected Eligible Employees. The Proposed LTIP will be implemented and administered by the Remuneration Committee of the Board or any other committee comprising directors and/or other officers or executives of the Company appointed by the Board to implement and administer the Proposed LTIP, in accordance with the By-Laws (as defined in Section 2.2.2 below) (“**LTIP Committee**”).

Upon acceptance of the Grant by an Eligible Employee to whom an Offer (as defined in Section 2.1 below) is or is to be made (“**Selected Employee**”), the Grant will be vested to the Selected Employee at no cash consideration over the duration of the Proposed LTIP, subject to the Selected Employee fulfilling the vesting conditions as may be determined by the LTIP Committee in accordance with the By-Laws. The issue price of the new Maxis Shares pursuant to a Grant will be determined by the LTIP Committee after taking into consideration, amongst others, the market price of the Maxis Shares as at or prior to the award date of the Grant or any other basis which the LTIP Committee may deem appropriate in compliance with any applicable laws and regulations.

##### 2.1 Details of the Proposed LTIP

The Proposed LTIP comprises a performance share (“**PS**”) Grant and restricted share (“**RS**”) Grant. The main difference in the features of the PS Grant and RS Grant is the eligibility of the Selected Employees in terms of their job level in the Group and the performance targets and/or performance conditions to be met prior to the offer being made in writing to the Selected Employees (“**Offer**”) and vesting of the Grant to the Selected Employees.

The details of the Grant are as follows:

##### (i) PS Grant

The PS Grant is a performance share grant for senior executives and key employees of the Group selected on a basis designated by the LTIP Committee. The PS Grant will be awarded annually to the Selected Employees to be vested at the end of a certain number of years and after fulfilment of certain performance targets and/or conditions, as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the Proposed LTIP, at the time of Grant and vesting. The performance targets and/or conditions may include the long-term financial performance targets/ratios of the Group as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the Proposed LTIP. At the point of vesting, the final award of the PS Grant is based on a multiple of the initial Grant whereby the multiple is determined according to the performance targets and/or conditions. In the event the performance targets and/or conditions are not met

by the Selected Employees, the Grant will not be vested to them at the end of the performance period.

The objective of the PS Grant is to promote alignment in the strategic achievements of the Group and to drive the right behaviour for the senior executives and key employees of the Group.

**(ii) RS Grant**

The RS Grant is a restricted share grant for all Eligible Employees selected on a basis designated by the LTIP Committee. The RS Grant will be awarded on a need basis to the Selected Employees to be vested over a certain number of years on a yearly pro-rata basis and after fulfilment of individual performance targets based on the Group's performance management system (such as individual performance rating) and/or certain performance conditions (such as financial targets) as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the Proposed LTIP.

The objective of the RS Grant is to attract and retain employees for the development, growth and success of the Group.

The Maxis Shares to be allotted and issued and/or transferred upon the vesting of the Maxis Shares pursuant to the PS Grant and RS Grant may be subject to such retention period and/or such restrictions on transfer, as may be determined by the LTIP Committee at its absolute discretion, unless otherwise stipulated in the Offer.

In implementing the Proposed LTIP, the Grant to the Selected Employees who accepted the Offers ("**Grantees**") will be satisfied upon vesting of the Grant by any of the following methods either in whole or in part:

- (a) issuance of new Maxis Shares;
- (b) acquisition of existing Maxis Shares from the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") by the Trustee (as defined herein), followed by the transfer of such Maxis Shares to the Grantees held by the Trustee;
- (c) transfer of the Company's treasury shares to the Grantees, if any;
- (d) cash payment in lieu of (a), (b) or (c) above;
- (e) a combination of any of the above; or
- (f) any other methods as may be permitted by any other relevant laws or authorities, as amended from time to time,

taking into consideration, amongst others, factors such as the prevailing market price of Maxis Shares, funding requirements of the Group and potential dilutive effects on the Company's capital base.

The LTIP Committee shall decide from time to time at its discretion to determine or vary the terms and conditions of the Offer, such as the eligibility criteria and allocation for each Grant, the timing and frequency of the award of the Grant, the performance targets and/or performance conditions to be met prior to the Offer and vesting of the Grant and the vesting period.

## 2.2 Other salient terms and conditions of the Proposed LTIP

The other salient terms and conditions of the Proposed LTIP include (but not limited to) the following:

### 2.2.1 Maximum number of Maxis Shares available under the Proposed LTIP

As at 15 March 2023, which is the latest practicable date prior to the date of this announcement (“**LPD**”), Maxis has an issued share capital of RM2,586.53 million comprising 7,830,148,710 Maxis Shares.

The maximum number of Maxis Shares which may be allotted and issued and/or transferred under the Proposed LTIP shall not, when aggregated with the total number of new Maxis Shares allotted and issued and/or to be allotted and issued under the Maxis Berhad 2009 Employee Share Option Scheme which was established on 17 September 2009 and expired on 16 September 2019 (“**Maxis Berhad 2009 ESOS**”) and the Existing Scheme (as defined in Section 2.3 below), exceed 250,000,000 Maxis Shares at any point in time during the duration of the Proposed LTIP (“**Maximum Shares**”).

For clarification purposes, 10,650,300 Maxis Shares were vested under the Maxis Berhad 2009 ESOS while 19,498,410 Maxis Shares have been vested under the Existing Scheme. Taking into consideration these already vested Maxis Shares and assuming the vesting of 32,136,300 Maxis Shares under the Existing Scheme (“**Existing Offers**”), up to 187,714,990 Maxis Shares will be available for vesting under the Proposed LTIP. For further details on the Existing Offers and the Existing Scheme, please see Section 2.3 of this Announcement.

If no Maxis Shares are vested under the Existing Offers, up to 219,851,290 Maxis Shares will be available for vesting under the Proposed LTIP, representing 2.7% of the enlarged issued share capital of Maxis.

### 2.2.2 Basis of allocation and maximum allowable allocation

The total number of Maxis Shares that may be offered to any one of the Selected Employees and/or to be vested in any one of the Grantees under the Proposed LTIP at any time shall be at the discretion of the LTIP Committee (subject always to the by-laws governing the Proposed LTIP (“**By-Laws**”), any applicable law, the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) and/or other applicable regulatory requirements).

Notwithstanding the foregoing, at any point of time during the existence of the Proposed LTIP, not more than 10% of the Maximum Shares shall be allocated to any individual Selected Employee who, either singly or collectively through persons connected with the said Selected Employee (as defined under the relevant applicable law), holds 20% or more of the issued share capital of Maxis (excluding treasury shares).

For purposes of clarity, up to a maximum of 100% of the total number of the Maxis Shares made available under Proposed LTIP could be allocated to Eligible Employees who are executive directors and senior management of the Group.

The LTIP Committee may, during the duration of the Proposed LTIP, make one or more Offers to any Selected Employee, whom the LTIP Committee may at its discretion select. Subject to the above limits, each Offer made to any Selected Employee by the LTIP Committee shall be separate and independent from any previous or later Offer made by the LTIP Committee to that Selected Employee.

### **2.2.3 Eligibility**

Employees of the Group (including executive directors of Maxis) who meet the following criteria as at the date of Offer shall be eligible to be considered as an Eligible Employee to participate in the Proposed LTIP:

- (a) has attained the age of eighteen years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) is employed on a full-time basis and is on the payroll of any company within the Group and has not served a notice of resignation or received a notice of termination;
- (c) is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (but excluding those who are employed for a specific project, or any other contract as may be determined by the LTIP Committee); and
- (d) fulfils any other eligibility criteria and/or falls within such category as may be determined by the LTIP Committee in its discretion from time to time.

Subject to compliance with applicable laws and regulations, the LTIP Committee may vary or revise any of the eligibility criteria set forth in this Section 2.2.3 at any time and from time to time.

In respect of an Eligible Employee who is a director, a chief executive or major shareholder of the Company or a person connected with the director, chief executive or major shareholder of the Company, the Offer under the Proposed LTIP is subject to prior approval by the shareholders of the Company at a general meeting. In a meeting to obtain shareholders' approval in respect of the grant of the Offer, any such Eligible Employee shall abstain from voting on the relevant resolution in respect of the Offer proposed to be made to such Eligible Employee at the relevant general meeting.

Eligibility for consideration under the Proposed LTIP does not confer an Eligible Employee with any right under or to participate in the Proposed LTIP.

### **2.2.4 Duration of the Proposed LTIP**

The Proposed LTIP shall be in force for a period of 10 years commencing from the effective date of implementation of the Proposed LTIP, being the date of full compliance with all relevant provisions of the Listing Requirements in relation to the Proposed LTIP, more particularly set out in the By-Laws.

On expiry of the Proposed LTIP, any Offer which has yet to be accepted shall forthwith cease to be capable of acceptance and any unvested Maxis Shares shall forthwith cease to be capable of vesting.

### **2.2.5 Ranking of the Maxis Shares and rights attaching to the Maxis Shares**

- (a) Any Maxis Shares allotted and issued and/or transferred to the Grantee pursuant to the Proposed LTIP shall:
  - (i) be subject to the provisions of the Constitution of the Company; and
  - (ii) rank equally in all respects with the then existing issued Maxis Shares.
- (b) Further, a Grantee shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:
  - (i) attached to the Maxis Shares prior to the date on which the Maxis Shares are credited into the Grantee's central depository account ("**CDS Account**"); and/or
  - (ii) which may be declared, made or paid to Maxis' shareholders, for which the entitlement date is prior to the date on which the Maxis Shares are credited into the Grantee's CDS Account.

For the avoidance of doubt, the Grantees shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unvested Grants.

### **2.2.6 Listing of and quotation for the new Maxis Shares**

An application will be made for the listing of and quotation for the new Maxis Shares to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities.

### **2.2.7 Alteration of capital**

In the event of any alteration in the capital structure of the Company during the period of the Proposed LTIP (whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place), the LTIP Committee, in accordance with the By-Laws, will have the sole discretion to make adjustments to the:

- (a) number of unvested Maxis Shares comprised in a Grant; and/or
- (b) method and/or manner in the vesting of the Maxis Shares comprised in a Grant.

Any adjustment will be made in accordance with the provisions of the By-Laws.

### **2.2.8 Amendment, variation and/ or modification to the Proposed LTIP**

Subject to compliance with the Listing Requirements and to the approval of any other authority (if required), the LTIP Committee may at any time during the duration of the Proposed LTIP, recommend to the Board any additions, amendments and/or modifications to and/or deletions of all or any part of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that:

- (i) no such addition, amendment, modification and/or deletion shall be made which would adversely affect the rights attaching to any Grant awarded prior to such addition, amendment, modification and/or deletion except with the approval of the Grantees to whom that Grant is made; and
- (ii) no such addition, amendment, modification and/or deletion shall be made to such matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Grantees without the prior approval of the shareholders of Maxis.

### **2.2.9 Acceptance of the Offer**

The Offer must be accepted by the Selected Employee during the Offer period in such form and manner as may be prescribed by the LTIP Committee in the Offer and must be accompanied by the details of his/her CDS Account and payment to the Company or the relevant company within the Group of a sum of RM1.00 only as non-refundable consideration for the Offer. The date of receipt by the Company or the relevant company within the Group (except subsidiaries which are dormant) of such form and payment shall be the date of acceptance of the Offer by the Selected Employee.

Unless the LTIP Committee otherwise decides, in the event that the Selected Employee fails to accept the Offer in the manner prescribed within the Offer period, such Offer shall automatically lapse and shall then be null and void, and the Offer may be offered to other Selected Employees provided that the LTIP Committee shall not be precluded from making a fresh Offer to the Selected Employee subsequently.

### **2.2.10 Fees, costs, expenses and taxes**

All fees, costs, and expenses incurred in relation to the Proposed LTIP including but not limited to the costs and expenses relating to the allotment and issuance and/or transfer of the Maxis Shares pursuant to the vesting of the Maxis Shares under the Grant shall be borne by the Company.

All brokerage fees, charges of Bursa Malaysia Depository Sdn Bhd, commissions and such other incidental costs and stamp duties arising from the sale of the Maxis Shares by the Grantees shall be borne by the Grantees.

Each Grantee shall be solely responsible for all taxes (including income tax) which may be incurred by him/her arising out of or as a result of the vesting of the Maxis Shares or transfer of the Maxis Shares to him/her under the By-Laws.

### 2.2.11 Trust Arrangement

For the purpose of facilitating the implementation of the Proposed LTIP, the Company and/or the LTIP Committee may, but shall not be obligated to, establish a trust to be administered by a trustee(s) to be appointed by the Company (“**Trustee**”) (“**Trust**”) in accordance with the trust deed to be entered into between the Company and the Trustee (“**Trust Deed**”). Accordingly, the Company shall have the power to appoint or rescind the appointment of any Trustee as it deems fit for the purpose of administering the Proposed LTIP, in accordance with the provisions of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

Following the establishment of the Trust, the Trustee may subscribe for new Maxis Shares, acquire existing Maxis Shares from the Main Market of Bursa Securities and/or receive treasury shares and transfer them to a Grantee at such times as the LTIP Committee shall direct. The LTIP Committee shall have the discretion to instruct the Trustee to subscribe for new Maxis Shares, acquire existing Maxis Shares and/or receive treasury shares from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee. To enable the Trustee to subscribe for new Maxis Shares, acquire existing Maxis Shares and/or receive treasury shares for the purpose of the Proposed LTIP and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for such payment.

For the purpose of administering the Trust, if and when the Trust is established, the Trustee shall do all such acts and things and enter into any transaction, agreement, deed, document or arrangement or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its absolute discretion direct for the implementation and administration of the Trust which are expedient for the purpose of giving effect to and carrying out the powers and duties conferred on the Trustee by the Trust Deed.

### 2.3 Existing Scheme

Maxis had, on 31 July 2015, established a long-term incentive plan involving the grant of new Maxis shares to the eligible employees of Maxis and its subsidiaries including executive directors (“**Existing Scheme**”). The Existing Scheme is valid for a period of 10 years and shall continue to be in force until 31 July 2025. The total number of Maxis Shares which may be vested under grants pursuant to the Existing Scheme shall not exceed 250,000,000 Maxis Shares, when aggregated with the total number of new Maxis Shares allotted and/or issued under the Maxis Berhad 2009 ESOS, during the duration of the Existing Scheme.

A total of 10,650,300 Maxis Shares were vested under the Maxis Berhad 2009 ESOS while 19,498,410 Maxis Shares have been vested pursuant to the Existing Scheme since its commencement up to the LPD. The by-laws for the Existing Scheme do not impose any limit on the maximum allocation to any eligible person unless he, either singly or collectively with persons connected with him, holds twenty percent (20%) or more of the total issued share capital of Maxis.

The number of Maxis Shares granted and Maxis Shares which have vested under the Existing Scheme to eligible employees of the Maxis Group (excluding dormant subsidiaries) are summarised below:

<b>From 31 July 2015 up to the LPD</b>					
<b>Category of Employees</b>	<b>Proportion granted (%)</b>	<b>Total number of Maxis Shares Granted</b>	<b>Total number of Maxis Shares Vested</b>	<b>Total number of Maxis Shares Forfeited</b>	<b>Total number of Maxis Shares Outstanding</b>
Senior management	27	18,752,500	5,699,005	5,819,995	7,233,500
Other employees	73	50,240,700	13,799,405	14,959,995	21,481,300
<b>Total</b>	<b>100</b>	<b>68,993,200</b>	<b>19,498,410</b>	<b>20,779,990</b>	<b>28,714,800</b>
Percentage over total issued share capital of Maxis as at the LPD		0.9%	0.2%	0.3%	0.4%

Since the implementation of the Existing Scheme, none of the directors have been granted and/or vested with any Maxis Shares under the Existing Scheme. The Board does not intend to make any grants and/or issue any Maxis Shares under the Existing Scheme to the directors of Maxis until the expiry of the Existing Scheme.

In addition, it is also the intention of the Company to cease making any further grants under the Existing Scheme upon the implementation of the Proposed LTIP. Notwithstanding this, any unvested Maxis Shares comprised in grants already awarded under the Existing Scheme will continue to be capable of vesting until the expiry of the Existing Scheme. As at the LPD, there are 3 grants which were already awarded under the Existing Scheme (referred to as the Existing Offers in Section 2.2.1 above) as follows:

<b>Date of Offer</b>	<b>No. of Maxis Shares</b>	<b>Vesting Period</b>	<b>Vesting Date</b>
7 September 2020	8,877,300	34 months	30 June 2023
9 September 2021	10,500,500	34 months	30 June 2024
6 September 2022	12,758,500	34 months	30 June 2025
<b>Total</b>	<b>32,136,300</b>		

### 3. UTILISATION OF PROCEEDS

No proceeds will be raised from the Proposed LTIP given that the Maxis Shares to be allotted and issued and/or transferred to the Selected Employees would not require any cash payment by the said Selected Employees. However, the Grantees are required to pay a nominal sum of RM1.00 as non-refundable considerations to the Company to accept the Offer.

### 4. RATIONALE FOR THE PROPOSED LTIP

The Proposed LTIP is intended to serve as a long term incentive plan that aligns the Eligible Employees' interests with the long term objectives and business strategy of the Group. The Proposed LTIP will form part of the total remuneration structure as an integral part of the Group's total reward strategy in providing the right remuneration and benefits for its employees. The Proposed LTIP will also complement the existing remuneration structure of the Group which, among others, includes a basic salary, a variable cash bonus and the Existing Scheme. It is intended for both the Existing Scheme and the Proposed LTIP to be implemented concurrently.



In addition, the Proposed LTIP is intended to:

- (a) recognise, reward and retain the Eligible Employees whose contributions are valued and considered vital to the businesses, continued growth and profitability of the Group;
- (b) motivate each Eligible Employee to optimise his/her performance standards and maintain high level contributions through greater levels of commitment and ownership to the Group;
- (c) drive the right behaviour of the Eligible Employees through the Proposed LTIP to focus on long term financial performance and Maxis' shareholders' value enhancement via equity participation; and
- (d) make the Group's remuneration scheme more competitive to attract skilled and experienced individuals to join the Group and contribute to its continued growth to create value for the shareholders of Maxis.

## 5. EFFECTS OF THE PROPOSED LTIP

### 5.1 Issued share capital

The Proposed LTIP is not expected to have any immediate effect on the existing issued share capital of Maxis. However, the issued share capital of Maxis will increase progressively as and when the new Maxis Shares are allotted and issued pursuant to the vesting of the Grants under the Proposed LTIP. Nevertheless, should the Grants be satisfied via acquisition of existing Maxis Shares from the open market of Bursa Securities and/or transfer of the Company's treasury shares (if any) and/or cash payment, there will be no effect on the issued share capital of the Company.

Strictly for illustrative purposes only, assuming that the Proposed LTIP is implemented on the LPD and if all the Maxis Shares comprised in the Grants are fully vested and satisfied by the issuance of new Maxis Shares, the proforma effects of the Proposed LTIP on the issued share capital of Maxis are set out in the table below:

	<b>No. of Maxis Shares ('000)</b>	<b>RM'000</b>
Issued share capital as at the LPD	7,830,149	2,586,533
Add: New Maxis Shares to be issued under the Existing Scheme <sup>(1) (2)</sup>	32,136	116,981 <sup>(4)</sup>
Add: New Maxis Shares to be issued pursuant to the Proposed LTIP <sup>(1) (3)</sup>	187,715	654,335 <sup>(5)</sup>
<b>Enlarged issued share capital</b>	<b><u>8,050,000</u></b>	<b><u>3,357,849</u></b>

**Notes:**

- (1) As disclosed in Section 2.2.1 above, the remaining number of Maxis Shares available for vesting under the Existing Scheme and Proposed LTIP is 219,851,290 Maxis Shares.
- (2) Based on the assumption that the 3 remaining grants already made under the Existing Scheme comprising up to 32,136,300 Maxis Shares as disclosed in Section 2.3 above will be settled via issuance of new Maxis Shares.
- (3) Based on the assumption that the remaining 187,714,990 Maxis Shares available for vesting under the Maximum Shares scenario (after taking into account the effects of Note 2 above) will be fully awarded and vested under the Proposed LTIP with full settlement via issuance of new Maxis Shares.
- (4) Based on the fair value of the respective grants under the Existing Scheme.
- (5) For illustrative purposes only, the issue price of the new Maxis Shares to be issued is assumed to be RM3.4858, which represents a discount of 10% to the 5-day volume-weighted average market price of the Maxis Shares up to and including the LPD, of approximately RM3.8731.
- (6) Due to rounding, the totals shown in the table above may not correspond with the sum of separate numbers.

## **5.2 Substantial shareholders' shareholdings**

The Proposed LTIP is not expected to have an immediate effect on the shareholdings of the substantial shareholders of Maxis until such time as and when new Maxis Shares are allotted and issued, pursuant to the vesting of Maxis Shares comprised in the Grants under the Proposed LTIP, which will result in a dilution in the substantial shareholders' shareholdings. Any potential effect on the shareholdings of the substantial shareholders of Maxis in the future would also depend upon the mode of settlement of the Grants at the date of vesting.

If the Maxis Shares are acquired from the open market and transferred to the Eligible Employees as a mode of settlement for the Grants, there will be no impact on the shareholdings of the substantial shareholders of the Company. Similarly, if the Maxis Shares comprised in the Grants are settled in cash, there will be no effect on the shareholdings of the substantial shareholders of the Company as well.

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For illustrative purposes, if all the remaining 219,851,290 Maxis Shares available for vesting under the Maximum Shares scenario are fully awarded and vested with full settlement via the issuance of new Maxis Shares, the proforma effects of the Proposed LTIP on the shareholdings of the substantial shareholders of the Company is as follows:

Substantial shareholders	As at the LPD				After the Proposed LTIP			
	Direct		Indirect		Direct		Indirect	
	No. of Maxis Shares	% <sup>(1)</sup>	No. of Maxis Shares	% <sup>(1)</sup>	No. of Maxis Shares	% <sup>(2)</sup>	No. of Maxis Shares	% <sup>(2)</sup>
BGSM Equity Holdings Sdn Bhd (“ <b>BGSM Equity</b> ”)	4,875,000,000	62.26	-	-	4,875,000,000	60.56	-	-
BGSM Management Sdn Bhd (“ <b>BGSM Management</b> ”) <sup>(3)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Binariang GSM Sdn Bhd (“ <b>BGSM</b> ”) <sup>(4)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Usaha Tegas Equity Sdn Bhd (“ <b>UTE</b> ”) <sup>(5)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Usaha Tegas Sdn Bhd (“ <b>Usaha Tegas</b> ”) <sup>(6)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Pacific States Investment Limited (“ <b>PSIL</b> ”) <sup>(7)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Excorp Holdings N.V. (“ <b>Excorp</b> ”) <sup>(8)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
PanOcean Management Limited (“ <b>PanOcean</b> ”) <sup>(8)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Ananda Krishnan Tatparanandam (“ <b>TAK</b> ”) <sup>(9)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Harapan Nusantara Sdn Bhd (“ <b>Harapan Nusantara</b> ”) <sup>(10)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Tun Haji Mohammed Hanif bin Omar <sup>(11)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Dato’ Haji Badri bin Haji Masri <sup>(11)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Mohamad Shahrin bin Merican <sup>(11)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
STC Malaysia Holding Ltd (“ <b>STCM</b> ”) <sup>(12)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
STC Asia Telecom Holding Ltd (“ <b>STCAT</b> ”) <sup>(13)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56

Substantial shareholders	As at the LPD				After the Proposed LTIP			
	Direct		Indirect		Direct		Indirect	
	No. of Maxis Shares	% <sup>(1)</sup>	No. of Maxis Shares	% <sup>(1)</sup>	No. of Maxis Shares	% <sup>(2)</sup>	No. of Maxis Shares	% <sup>(2)</sup>
Saudi Telecom Company (“Saudi Telecom”) <sup>(14)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Public Investment Fund (“PIF”) <sup>(15)</sup>	-	-	4,875,000,000	62.26	-	-	4,875,000,000	60.56
Employees Provident Fund Board (“EPF”) <sup>(16)</sup>	899,433,708	11.49	23,087,172	0.30	899,433,708	11.17	23,087,172	0.29
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	629,448,400	8.04	-	-	629,448,400	7.82	-	-
Other shareholders	1,426,266,602	18.22	-	-	1,426,266,602	17.27	-	-
Eligible Employees (Existing Scheme) <sup>(17)</sup>	-	0.00	-	-	32,136,300	0.40	-	-
Eligible Employees (Proposed LTIP) <sup>(18)</sup>	-	0.00	-	-	187,714,990	2.33	-	-

**Notes:**

- (1) Computed based on the total Maxis Shares in circulation as at the LPD of 7,830,148,710.
- (2) Computed based on the total Maxis Shares in circulation after the Proposed LTIP of 8,050,000,000, assuming that all the remaining 219,851,290 Maxis Shares available for vesting under the Maximum Shares scenario are fully awarded and vested under the Proposed LTIP with full settlement via issuance of new Maxis Shares.
- (3) BGSM Management’s deemed interest in the Maxis Shares arises by virtue of BGSM Management holding 100% equity interest in BGSM Equity.
- (4) BGSM’s deemed interest in the Maxis Shares arises by virtue of BGSM holding 100% equity interest in BGSM Management. See Note (3) above for BGSM Management’s deemed interest in the Maxis Shares.
- (5) UTE’s deemed interest in the Maxis Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn. Bhd., Tegas Puri Sdn. Bhd., Besitang Barat Sdn. Bhd. and Besitang Selatan Sdn. Bhd. which hold in aggregate 37% equity interest in BGSM. See Note (4) above for BGSM’s deemed interest in the Maxis Shares.
- (6) Usaha Tegas’ deemed interest in the Maxis Shares arises by virtue of Usaha Tegas holding 100% equity interest in UTE. See Note (5) above for UTE’s deemed interest in the Maxis Shares.
- (7) PSIL’s deemed interest in the Maxis Shares arises by virtue of PSIL holding 99.999% equity interest in Usaha Tegas. See Note (6) above for Usaha Tegas’ deemed interest in the Maxis Shares.

- (8) *PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. See Note (7) above for PSIL's deemed interest in the Maxis Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in such Maxis Shares, it does not have any economic or beneficial interest in such Maxis Shares, as such interest is held subject to the terms of such discretionary trust.*
- (9) *TAK's deemed interest in the Maxis Shares arises by virtue of PanOcean's deemed interest in the Maxis Shares. See Note (8) above for PanOcean's deemed interest in the Maxis Shares. Although TAK is deemed to have an interest in such Maxis Shares, he does not have any economic or beneficial interest in such Maxis Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (8) above.*
- (10) *Harapan Nusantara's deemed interest in the Maxis Shares arises through its wholly-owned subsidiaries, namely, Mujur Anggun Sdn. Bhd., Cabaran Mujur Sdn. Bhd., Anak Samudra Sdn. Bhd., Dumai Maju Sdn. Bhd., Nusantara Makmur Sdn. Bhd., Usaha Kenanga Sdn. Bhd. and Tegas Sari Sdn. Bhd. (collectively, "**Harapan Nusantara Subsidiaries**"), which hold in aggregate 30% equity interest in BGSM. See Note (4) above for BGSM's deemed interest in the Maxis Shares. The Harapan Nusantara Subsidiaries hold their deemed interest in such Maxis Shares under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in such Maxis Shares as such interest is held subject to the terms of such discretionary trusts.*
- (11) *His deemed interest in the Maxis Shares arises by virtue of his 25% direct equity interest in Harapan Nusantara. However, he does not have any economic interest in such Maxis Shares as such interest is held subject to the terms of the discretionary trusts referred to in Note (10) above.*
- (12) *STCM's deemed interest in the Maxis Shares arises by virtue of STCM holding 25% equity interest in BGSM. See Note (4) above for BGSM's deemed interest in the Maxis Shares.*
- (13) *STCAT's deemed interest in the Maxis Shares arises by virtue of STCAT holding 100% equity interest in STCM. See Note (12) above for STCM's deemed interest in the Maxis Shares.*
- (14) *Saudi Telecom's deemed interest in the Maxis Shares arises by virtue of Saudi Telecom holding 100% equity interest in STCAT. See Note (13) above for STCAT's deemed interest in the Maxis Shares.*
- (15) *PIF's deemed interest in the Maxis Shares arises by virtue of PIF holding 70% equity interest in Saudi Telecom. See Note (14) above for Saudi Telecom's deemed interest in the Maxis Shares.*
- (16) *EPF is deemed to have an interest in 23,087,172 Maxis Shares held through nominees.*
- (17) *Based on the assumption that the 3 remaining grants already awarded under the Existing Scheme comprising up to 32,136,300 Maxis Shares as disclosed in Section 2.3 above will be settled via issuance of new Maxis Shares.*
- (18) *Based on the assumption that the remaining 187,714,990 Maxis Shares available for vesting under the Maximum Shares scenario (after taking into account the effects of Note 17 above) will be fully awarded and vested under the Proposed LTIP with full settlement via issuance of new Maxis Shares.*

### **5.3 Net assets (“NA”), NA per Maxis Share and gearing**

The Proposed LTIP is not expected to have any immediate effect on the consolidated NA, NA per Maxis Share and gearing of the Group until such time as and when the new Maxis Shares are allotted and issued pursuant to the vesting of the Grants. Any potential effect on the consolidated NA per Maxis Share and gearing of the Group in the future would depend upon the number of new Maxis Shares allotted and issued at the relevant point in time.

In the case of settlement by transfer of the Company’s treasury shares and/or by cash payment, the Proposed LTIP will reduce the consolidated NA, consolidated NA per Maxis Share and increase the gearing of the Group because of the decrease in the shareholder’s equity of the Group. Nonetheless, such quantum can only be determined at the point of the transfer of the Maxis Shares to the Grantees or payment, as the case may be.

### **5.4 Earnings and earnings per Maxis Share (“EPS”)**

The Proposed LTIP is not expected to have any material effect on the consolidated earnings and EPS of the Company until such time when the Grants are granted. According to Malaysian Financial Reporting Standard 2 on the Share-Based Payment as issued by the Malaysian Accounting Standards Board (“**MFRS 2**”), the cost arising from the granting of the Maxis Shares under the Proposed LTIP, after taking into account, among others, the number of new Maxis Shares vested and the price of the Maxis Shares, will need to be measured at fair value on the date of granting of the Maxis Shares and recognised as an expense in the consolidated income statement of the Group over the vesting period of the Grants.

The potential effects on the consolidated earnings and EPS of the Group cannot be determined at this juncture as it would depend on, amongst others, the number of Maxis Shares granted pursuant to the Grant and various factors that affect the fair value of the Maxis Shares granted. For clarification purposes, the potential cost of the Grants does not represent a cash outflow as it is only an accounting treatment in the case of settlement by issuance of new Maxis Shares and/ or transfer of treasury shares. However, there will be a cash outflow if the Group provides funds to the Trustee to acquire existing Maxis Shares to be held in trust for the purpose of the Proposed LTIP and/or the Group pays the equivalent cash value of the Grants to Grantees in lieu of the issuance of new Maxis Shares and/or transfer of treasury shares.

Excluding the effects on the future earnings contribution to the Maxis Group and the potential cost of awarding the Proposed LTIP under MFRS 2, the Proposed LTIP will have a dilutive effect on the Maxis Group’s EPS due to the increase in the number of Maxis Shares resulting from the Proposed LTIP should there be any allotment and issuance of new Maxis Shares to satisfy the Proposed LTIP.

The Board has taken note of the potential effects of the Proposed LTIP on the Group’s earnings and will take into consideration such impact in the allocation and granting of the Grants to the Eligible Employees.

### **5.5 Convertible securities**

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

## **6. APPROVALS REQUIRED**

The Proposed LTIP is subject to the following approvals being obtained:

- (a) Bursa Securities for the listing of and quotation for the new Maxis Shares to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities;
- (b) shareholders of Maxis at a general meeting to be convened for the Proposed LTIP; and
- (c) any other relevant regulatory authorities, if required.

## **7. CONDITIONALITY**

The Proposed LTIP is not conditional or inter-conditional upon any other corporate exercise or scheme by Maxis.

## **8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and/or indirect, in the Proposed LTIP.

If Maxis desires to allocate any Grant under the Proposed LTIP to any executive director(s) (“**Entitled Director**”) or the chief executive officer (“**CEO**”) of the Company (the Entitled Director and the CEO are collectively referred to as the “**Entitled Person(s)**”) during the duration of the Proposed LTIP, the Entitled Person(s) will be deemed interested in the Proposed LTIP to the extent of their entitlements under the Proposed LTIP as well as entitlements of persons connected with them, if any, under the Proposed LTIP. Therefore, the Entitled Person(s) will abstain from and will continue to abstain from deliberating on their entitlements as well as entitlements of persons connected to them, if any, under the Proposed LTIP at all relevant Board meetings. Further, the Entitled Director(s) will also abstain from voting on their entitlements as well as entitlements of persons connected to them, if any, under the Proposed LTIP at all relevant Board meetings. Additionally, separate approvals in respect of the Grants of the relevant entitlements will be sought from the shareholders at a general meeting to be convened later.

Accordingly, the Entitled Person(s) will also abstain from voting in respect of their direct and/ or indirect shareholdings, if any, at the general meeting of the Company to be convened later, on the ordinary resolutions to be tabled for their respective proposed allocation, if any, as well as the proposed allocations to the persons connected to them, if any.

The Entitled Person(s) will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, in the Company on the ordinary resolutions pertaining to their respective proposed allocation and the proposed allocations to the persons connected to them to be tabled at the general meeting of the Company to be convened later.

## **9. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Proposed LTIP, including but not limited to the rationale and effects of the Proposed LTIP, is of the opinion that the Proposed LTIP is in the best interests of the Company.

## **10. APPLICATION TO THE RELEVANT AUTHORITIES**

The additional listing application to Bursa Securities in respect of the Proposed LTIP is expected to be submitted within 2 weeks from the date of this Announcement.

**11. ESTIMATED TIMEFRAME FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed LTIP is expected to be implemented by the second half of 2023.

**12. ADVISER**

CIMB has been appointed by Maxis as the Principal Adviser for the Proposed LTIP.

This Announcement is dated 27 March 2023.