

CIRCULAR DATED 29 OCTOBER 2018

THIS CIRCULAR TO SHAREHOLDERS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Q & M Dental Group (Singapore) Limited ("**Company**"). If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the share capital of the Company, you should forward this Circular to Shareholders, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular to Shareholders.



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number: 200800507R)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **THE PROPOSED ADOPTION OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018;**
- (2) **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE Q & M EMPLOYEE SHARE OPTION SCHEME;**
- (3) **PROPOSED ADOPTION OF THE Q & M PERFORMANCE SHARE PLAN 2018; AND**
- (4) **THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018 AND THE Q & M PERFORMANCE SHARE PLAN 2018.**

Important Dates and Times:

Last date and time for lodgment of Proxy Form	:	11 November 2018 at 2 p.m.
Date and time of Extraordinary General Meeting	:	13 November 2018 at 2 p.m.
Place of Extraordinary General Meeting	:	Vista 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout, unless the context otherwise requires:

“Act” or “Companies Act”	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Associate”	<p>(a) in relation to any Director, Chief Executive Officer of the Company, a Substantial Shareholder or a Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
“Auditors”	The auditors of the Company for the time being
“Award”	A contingent award of Shares granted under the Plan
“Award Date”	In relation to an Award, the date on which the Award is granted
“Board”	The board of Directors of the Company as at the Latest Practicable Date
“CDP”	The Central Depository (Pte) Limited
“Circular”	This Circular to Shareholders dated 29 October 2018 in respect of the Option Scheme and the Plan
“Company”	Q & M Dental Group (Singapore) Limited
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	<p>A person who:</p> <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or(b) in fact exercises Control over the Company.
“Date of Grant”	The date on which an Option is granted to a Participant pursuant to Rule 7 of the Option Scheme

DEFINITIONS

“ Directors ”	The directors of the Company, including an alternate director as at the Latest Practicable Date and each a “ Director ”
“ EGM ” or “ Extraordinary General Meeting ”	The extraordinary general meeting of the Company, notice of which is set out on pages 64 to 67 of this Circular
“ Employee ”	A confirmed employee of the Group
“ Exercise Period ”	The period during which an Option is exercisable in accordance with the Rules of the Option Scheme
“ Exercise Price ”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the Option Scheme, or such adjusted price as may be applicable pursuant to Rule 10 of the Option Scheme
“ EPS ”	Earnings per Share
“ Executive Director ”	A Director who performs an executive function
“ FRS 102 ”	Financial Reporting Standard 102
“ FY ”	Financial year ended or ending 31 December (as the case may be) unless otherwise specified
“ Group ”	The Company and its subsidiaries, collectively and each a “ Group Company ”
“ Incentive Option ”	An Option granted with the Exercise Price set at a discount to the Market Price.
“ Independent Director ”	An independent director of the Company
“ Independent Shareholders ”	Shareholders other than Shareholders who are Participants and Shareholders who are Associates of the Participants
“ Latest Practicable Date ”	24 October 2018, being the latest practicable date prior to the printing of this Circular
“ Listing Manual ” or “ Listing Rules ”	Part A: Mainboard Rules of the Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“ Market Day ”	A day on which the SGX-ST is open for trading in securities
“ Market Price ”	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“ Market Price Option ”	An Option granted with the Exercise Price set at the Market Price

DEFINITIONS

“New Shares”	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s) under the Option Scheme and/or the vesting of Award(s) under the Plan
“Non-Executive Director”	A director of the Company who does not perform an executive function, including any independent directors
“Notice of EGM”	The notice of EGM as set out on pages 64 to 67 of this Circular, for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out therein
“NTA”	Net tangible assets
“Option”	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme
“Option Holder”	The holder of an Option
“Option Scheme” or “Q&M Employee Share Option Scheme 2018”	The proposed employee share option scheme, as modified or altered from time to time
“Option Scheme Committee”	The committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the Board pursuant to Rule 16 of the Option Scheme to administer the Option Scheme
“Ordinary Resolutions”	The ordinary resolutions as set out in the Notice of EGM
“Participant”	An eligible person selected by the Option Scheme Committee or the Plan Committee to participate in the Option Scheme or the Plan in accordance with the rules thereof
“Plan” or “Q&M Performance Share Plan 2018”	The proposed share performance plan, as modified or altered from time to time
“Plan Committee”	The committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the Board pursuant to Rule 10 of the Plan to administer the Plan
“Proxy Form”	The proxy form in respect of the EGM as set out in this Circular
“Record Date”	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	The register of members of the Company

DEFINITIONS

“Released Schedule”	In relation to an Award, a schedule in such form as the Plan Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period
“Rules of the Option Scheme”	Rules of the Option Scheme as set out in the Appendix A of this Circular and any reference to a particular Rule shall be construed accordingly
“Rules of the Plan”	Rules of the Plan as set out in the Appendix B of this Circular and any reference to a particular Rule shall be construed accordingly
“Securities Account”	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGXNET”	The SGXNET Corporate Announcement System
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	Ordinary shares in the capital of the Company and each a “Share”
“Substantial Shareholder”	A person who has an interest (directly or indirectly) of 5% or more of the total issued share capital of the Company
“Subsidiary”	Has the meaning ascribed to it in Section 5 of the Companies Act
“treasury share”	Has the meaning ascribed to it in Section 4 of the Companies Act
<u>Currencies, Units and Others</u>	
“S\$” and “SG cents”	Singapore dollars and cents, respectively
“%” or “per cent.”	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term or word defined under the SFA or the Act or the Listing Rules or any statutory or regulatory modification thereof and used in this Circular shall where applicable have the same meaning ascribed to it under the SFA or the Act or the Listing Rules or such statutory modification, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of a day in the Circular is a reference to Singapore time unless otherwise stated and shall include such other date(s) or time(s) as may be announced from time to time by or on behalf of the Company.

LETTER TO SHAREHOLDERS

Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number: 200800507R)
(Incorporated in the Republic of Singapore)

Directors

Mr Narayanan Sreenivasan @ N Sreenivasan (Non-Executive and Independent Chairman)
Dr Ng Chin Siau (Group Chief Executive Officer)
Dr Ang Ee Peng Raymond (Chief Operating Officer)
Professor Toh Chooi Gait (Non-Executive and Independent Director)
Mr Ng Weng Sui Harry (Non-Executive and Independent Director)
Mr Chik Wai Chiew (Zhi Weichao) (Non-Executive and Non-Independent Director)

Registered Office

81 Science Park Drive
#02-04, The Chadwick
Singapore 118257

29 October 2018

To: The Shareholders of Q & M Dental Group (Singapore) Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1 **EGM.** The Directors are convening an EGM to be held on 13 November 2018 to seek Shareholders' approval for the following proposals:-

- (1) The proposed adoption of the Q & M Employee Share Option Scheme 2018;
- (2) The proposed grant of authority to offer and grant Options at a discount under Option Scheme;
- (3) The proposed adoption of the Q & M Performance Share Plan 2018; and
- (4) The proposed participation of Controlling Shareholders and their Associates in the Option Scheme and the Plan,

(together, the "**Proposals**").

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the Proposals to be tabled at the EGM.

1.3 **Listing of New Shares.** The SGX-ST has approved in-principle the listing and quotation of the New Shares which may be issued from to time pursuant to the Option Scheme and the Plan on the Main Board subject to separate independent Shareholders' approval being obtained for the proposed adoption of the Option Scheme and the Plan and the Company's compliance with the SGX-ST's listing requirements and guidelines. The approval-in-principle of the SGX-ST shall not be taken as an indication of merits of the Option Scheme, the Plan, the New Shares, the Company and/or its subsidiaries.

LETTER TO SHAREHOLDERS

2. THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

2.1 Existing Q & M Employee Share Option Scheme

The Company currently has in place an existing share option scheme known as the Q & M Employee Share Option Scheme (“**Existing Scheme**”). The Existing Scheme was adopted by Shareholders on 26 April 2011. The duration of the Existing Scheme is 10 years commencing on the date of adoption, that is, 10 years commencing from 26 April 2011. The Existing Scheme is accordingly due to expire on 25 April 2021, unless otherwise terminated at any time by the committee which administers the Existing Scheme or by resolution of Shareholders at a general meeting.

The Company proposes to adopt the new Q & M Employee Share Option Scheme 2018 to replace the Existing Scheme. Details of the Option Scheme are set out in paragraph 2.2 below. The Existing Scheme will terminate following the adoption of the Option Scheme by Shareholders at the EGM.

As at the Latest Practicable Date, there are no outstanding and unexercised options which were granted under the Existing Scheme. No further options will be granted under the Existing Scheme.

2.2 Proposed Q & M Employee Share Option Scheme 2018

2.2.1 Rationale for the Option Scheme

The Q & M Employee Share Option Scheme 2018 is intended to replace the Existing Scheme which is due to expire on 25 April 2021, unless otherwise terminated at any time by the committee which administers the Existing Scheme or by resolution of Shareholders at a general meeting and which will be terminated following the adoption of the Option Scheme by Shareholders at the EGM.

The Option Scheme is proposed to provide an opportunity for Employees and Directors who have contributed significantly to the growth and performance of the Group, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. In addition, the Option Scheme will help the Group to attract and retain the services of appropriate, qualified and experienced employees who would be able to contribute to the Group’s business and operations.

The Option Scheme is primarily a share option scheme. It recognises the fact that the services of Participants are important to the success and continued well-being of the Group. At the same time, it will give such Participants an opportunity to obtain a direct interest in the Company and will help to achieve the following positive objectives:-

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

LETTER TO SHAREHOLDERS

2.2.2 Summary of the Rules of the Option Scheme

The Rules of the Option Scheme are set out in Appendix A of this Circular. A summary of the Rules of the Option Scheme are as follows:-

(a) Eligibility

The following persons shall be eligible to participate in the Option Scheme at the absolute discretion of the Option Scheme Committee:-

- (i) Employees and Directors who have attained the age of twenty-one on or before the Offer Date and who are not undischarged bankrupts; and
- (ii) Controlling Shareholders or their Associates who qualify under sub-paragraph (a) above, provided that:-
 - (A) their participation in the Option Scheme is specially approved by independent Shareholders in a separate resolution for each such person;
 - (B) the aggregate number of Shares available to such Controlling Shareholders and their Associates shall not exceed 25.0 per cent. of the total number of Shares available under the Option Scheme; and
 - (C) the number of Shares available to any one Controlling Shareholder or his Associates shall not exceed 10.0 per cent. of the total number of Shares available under the Option Scheme.

(b) Entitlements

The number of Shares comprised in Option(s) offered to a Participant shall be determined at the absolute discretion of the Option Scheme Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Participant, subject to such limits as may be prescribed by the SGX-ST.

(c) Size of the Option Scheme

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Option(s) granted under the Option Scheme and/or treasury shares delivered in respect of the Option(s)) over which the Option Scheme Committee may offer to grant Option(s) on any date, when added to:-

- (i) the aggregate number of new Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (ii) the number of treasury shares delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the date immediately preceding the Date of Grant.

The aggregate number of Shares over which the Option Scheme Committee may offer to grant Option(s) to the Controlling Shareholders and their Associates under the Option Scheme, shall not exceed 25% of the Shares available under the Option Scheme, Provided Always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Option Scheme.

LETTER TO SHAREHOLDERS

(d) Date of Grant

The Option Scheme Committee may offer to grant Option(s) in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer to grant Option(s) shall be made during the period of one (1) month immediately preceding the date of announcement of the Company's full-year results and two (2) weeks before the announcement of the results of the Company for each of the first, second and third quarters of its FY (as the case may be).

In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, the Option Scheme Committee may offer to grant Option(s) on or after the second Market Day after such announcement has been released.

(e) Acceptance of Offer

The grant of an Option must be accepted not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant. The Option Holder must complete, sign and return to the Company the acceptance form accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Option Scheme Committee may require.

(f) Exercise Price

Subject to any adjustment pursuant to Rule 10 of the Option Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Option Scheme Committee at its absolute discretion, on the Date of Grant, at:-

- (i) the Market Price; or
- (ii) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Option Scheme Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price. In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

Upon the exercise of an Option, the Company may either allot and issue New Shares or transfer treasury shares to the Option Holder in accordance with Rule 12 of the Option Scheme.

(g) Alteration of Capital

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:-

- (i) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised and the rights attached thereto;
- (ii) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (iii) the class and/or number of Shares in respect of which additional Option(s) may be granted to Option Holders,

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may, be adjusted in such manner as the Option Scheme Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

No such adjustment shall be made if as a result, the Option Holder receives a benefit that a Shareholder does not receive; and unless the Option Scheme Committee, after considering all relevant circumstances, considers it equitable to do so.

The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Option Scheme.

Upon any adjustment required to be made, the Company shall notify each Option Holder (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised.

(h) Exercise Period

Unless otherwise determined in the sole discretion of the Option Scheme Committee, Options granted shall be exercised in the following manner:-

- (i) in the case of Market Price Options granted to a Participant:- (i) one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the first anniversary of the Date of Grant of that Option; (ii) the next one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the second anniversary of the Date of Grant of that Option; and (iii) the remaining one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the third anniversary of the Date of Grant of that Option, PROVIDED ALWAYS THAT all the Options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Option Scheme Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company; and
- (ii) in the case of Incentive Options granted to a Participant:- (i) one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the second anniversary of the Date of Grant of that Option; (ii) the next one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the third anniversary of the Date of Grant of that Option; and (iii) the remaining one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the fourth anniversary of the Date of Grant of that Option, PROVIDED ALWAYS THAT all the Options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Option Scheme Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company.

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Market Price Options may only be exercised after the first anniversary of the Date of Grant of such Options. Incentive Options may only be exercised after the second anniversary of the Date of Grant of such Options.

An Option shall, to the extent unexercised, immediately lapse and become null and void and the Option Holder shall have no claim against the Company:-

- (1) subject to Rules 11.3, 11.4, 11.5, 11.6, 11.7 and 11.8 of the Option Scheme, upon the Option Holder ceasing to be in the employment of a Group Company for any reason whatsoever;
- (2) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (3) in the event of misconduct on the part of the Option Holder, as determined by the Committee in its absolute discretion.

If an Option Holder ceases to be employed by a Group Company by reason of his ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Option Scheme Committee, redundancy, retirement at or after a normal retirement age or retirement before that age with the consent of the Option Scheme Committee, or for any other reason approved in writing by the Option Scheme Committee, he may, at the absolute discretion of the Option Scheme Committee exercise any unexercised Option(s) within the relevant Exercise Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

If an Option Holder ceases to be employed by a Group Company by reason of the Group Company, by which he is principally employed, ceasing to be a company within the Group, the undertaking or part of the undertaking of such Group Company, being transferred otherwise than to another Group Company, or for any other reason, provided the Option Scheme Committee gives its consent in writing, he may, at the absolute discretion of the Option Scheme Committee, exercise any unexercised Option(s) within the relevant Exercise Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

If an Option Holder dies and at the date of his death holds any unexercised Option(s), such Option may, at the absolute discretion of the Option Scheme Committee, be exercised by the duly appointed legal personal representative(s) of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

If an Option Holder, who is also a Director, ceases to be a Director for any reason (other than by reason of his resignation), he may, at the absolute discretion of the Option Scheme Committee, exercise any unexercised Option(s) held by him within the relevant Exercise Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.

For the avoidance of doubt, upon an Option Holder ceasing to be employed by a Group Company by reason of his resignation from such Group Company, any Option(s) held by him remaining unexercised as at the date of his notice of resignation shall immediately lapse and become null and void.

(i) Duration of the Option Scheme

The Option Scheme shall continue to be in force at the discretion of the Option Scheme Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting.

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Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

(j) Administration of the Option Scheme

The Option Scheme shall be administered by the Option Scheme Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

A Director who is a member of the Option Scheme Committee shall not be involved in the deliberation in respect of Option(s) to be granted to him.

(k) Voting, dividend and other rights

Shares allotted and issued or treasury shares which are transferred, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

2.2.3 Financial effects of the Option Scheme

(a) Share capital

The Option Scheme will result in an increase in the issued share capital of the Company to the extent of the New Shares that will be allotted and issued pursuant to the exercise of the Option(s) granted under the Option Scheme. This will in turn depend on, *inter alia*, the number of Shares comprised in the Option(s) granted, the number of Option(s) that are accepted and exercised and the Exercise Price of the Shares comprised in the Option(s).

(b) NTA

The issue of New Shares upon the exercise of the Option(s) granted under the Option Scheme will increase the Company's consolidated NTA by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Company will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

(c) EPS

The Option Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares to the extent that New Shares are allotted and issued upon the exercise of the Option(s).

(d) Potential Cost of Awards

The Company has to comply with FRS 102 relating to share-based payments which takes effect for all listed companies beginning 1 January 2005. Under FRS 102, the recognition of an expense in respect of Option(s) granted under the Option Scheme is required. The expense will be based on the fair value of the Option(s) at each date of grant of the Option(s) and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Option(s), taking into account the terms and conditions of the grant of the Option(s) and recognised as a charge to the Company's and Group's consolidated profit and

LETTER TO SHAREHOLDERS

loss statement (“P&L”) over the period from the date of grant of the Option(s) to the vesting date (the “Vesting Period”), with a corresponding credit to the Company’s and Group’s reserve account.

Before the end of the Vesting Period and at the end of each accounting year, the estimate of the number of Option(s) that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L with a corresponding adjustment to the Company’s reserve account. After the vesting date, no adjustment of the charge to the consolidated P&L is made.

3. THE AUTHORITY TO GRANT OPTIONS AT A DISCOUNT

In accordance with Rule 845(5) of the Listing Manual and Rule 9.1 of the Option Scheme, the making of offers and grants of Option(s) under the Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders at a general meeting. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Option(s) under the Option Scheme at such discount for the duration of the Scheme.

Under the Option Scheme, the Exercise Price of Option(s) granted shall be determined by the Committee at its absolute discretion. The Committee has the discretion to grant Option(s) with an Exercise Price set at a discount to the Market Price on a case by case basis, taking into consideration, including but not limited to, the criteria set out under Rule 9.2 of the Option Scheme. In the event that Option(s) are granted at a discount, the discount shall not exceed 20% of the Market Price.

The ability to offer Option(s) at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Option(s) granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Option(s) as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. Being able to grant Option(s) at a discount allows the Company to acknowledge a Participant’s contributions where such means is more meaningful than just paying a cash bonus, as these Option(s) operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Option(s) granted at the Market Price. This serves as an additional method available to the Company for compensating Employees and Directors rather than merely through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Option(s) granted with a discount under the Option Scheme are subject to a longer minimum vesting period (2 years) than those granted at the Market Price (1 year), holders of such Option(s) are encouraged to have a long-term view of the Group, thereby promoting staff and executive retention and reinforcing their commitment to the Group.

The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the Option Scheme, while minimising the potential dilutive effect to the Shareholders arising from the Option Scheme.

4. THE Q & M PERFORMANCE SHARE PLAN 2018

4.1 Background and rationale

The Company has undertaken a comprehensive review of employee remuneration and benefits and wishes to introduce a new compensation scheme that will increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance.

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The Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, which ultimately, will enhance economic value for Shareholders. The Directors believe that the new plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group.

The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Plan, the Company will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

Through the Plan, the award of fully-paid Shares, free of charge, to the Participants is intended to be an attractive form of bonus from the Company to the Participants. In addition, the Company believes that the Plan will be more effective than cash bonuses in motivating employees as it gives them a stake in the ownership of the Company.

The Plan will complement the Option Scheme and serve as an additional and flexible incentive tool. The purpose of adopting more than one share plan is to give the Company greater flexibility to align the interests of employees, especially key executives, with those of Shareholders. It is also intended that the Option Scheme and the Plan will complement each other in the Company's continuing efforts to reward, retain and motivate employees to achieve superior performance. The Option Scheme and

the Plan will further strengthen the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group. The Company believes that with the Option Scheme and the Plan in place, they will strengthen and enhance the Company's ability in attracting and retaining suitable talents. Options may be granted, for example, as a supplement to the remuneration packages for employees under the Option Scheme, or in addition thereto, Awards may be granted to Participants under the Plan.

Unlike Options granted under the Option Scheme, the Plan contemplates the award of fully-paid Shares to Participants after performance targets have been met. As such, while the Option Scheme is targeted at employees of the Group in general, the Plan is targeted at key employees who are in the best position to drive the growth of the Company through superior performance.

The Plan helps to fulfil the Company's primary long-term objective of motivating deserving and eligible Participants to optimise their performance standards and efficiency and to maintain a high level of performance and contribution. The Plan also further motivates employees that the Company regards as integral to the Group to strive for superior performance and to deliver longterm shareholder value, to serve as a motivational tool to recruit and retain talented senior executives and reward for Group and individual performance, as well as enhance the Group's overall compensation packages to attract and retain high performing talent.

The assessment criteria for granting Options under the Option Scheme are more general (e.g. length of service and general performance of the Group). In contrast, the Plan gives the Company flexibility in rewarding its executives as it gives the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both. For instance, the Company may grant Awards under the Plan after the performance targets have been achieved. Alternatively, the Company may grant Awards under the Plan after the satisfactory completion of time-based service conditions, that is, after the Participants have served the Group for a specified number of years or after a further period of service beyond the completion date of the performance targets. The Company may also impose an extended vesting period beyond the completion date of the performance targets in order to encourage Participants to continue serving the Group. A performance-based award may be granted under the Plan, for

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example, with a performance target based on the successful completion of a project, or on the Company meeting certain specified corporate target(s), and may incorporate a further vesting period to encourage the Participant to continue serving the Group for a further period of time following completion of the project.

The Awards granted under this Plan will be determined at the sole discretion of the Plan Committee which will oversee and administer the Plan. In considering the grant of an Award to a Participant, the Plan Committee shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected employee. The Plan Committee may also set specific criteria and performance targets for each of the Company's business units, taking into account factors such as (i) the Company's and the Group's business goals and directions for each financial year; (ii) the Participant's actual job scope and duties; and (iii) the prevailing economic conditions. In contrast, the Option Scheme is meant to be more of a "loyalty" driven time-based incentive program

The aggregate number of new Shares to be issued under the Plan and the Option Scheme collectively, shall not exceed 15% of the Company's total issued Shares excluding treasury shares and subsidiary holdings from time to time.

4.2 Summary of the Plan

A summary of the Rules of the Plan is set out below.

4.2.1 Eligibility

The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:-

- (i) Employees and Directors who have attained the age of twenty-one on or before the Offer Date and who are not undischarged bankrupts; and
- (ii) Controlling Shareholders or their Associates who qualify under sub-paragraph (a) above, provided that:-
 - (A) their participation in the Plan is specially approved by independent Shareholders in a separate resolution for each such person;
 - (B) the aggregate number of Shares available to such Controlling Shareholders and their Associates shall not exceed 25.0 per cent. of the total number of Shares available under the Plan; and
 - (C) the number of Shares available to any one Controlling Shareholder or his Associates shall not exceed 10.0 per cent. of the total number of Shares available under the Plan.

4.2.2 Size of the Plan

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and/or issuable and/or transferred and transferable in respect of all Awards granted under the Plan and all Shares issued and issuable and/or transferred and transferrable in respect of all options granted or awards granted under any other share schemes or share plans which the Company adopted and for the time being in force or may implement from time to time, including but not limited to the Option Scheme, will not exceed 15% of the total issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Award Date.

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The following additional limits must not be exceeded:-

- (a) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Plan; and
- (b) The number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Plan.

The Directors believe that the size of the Plan is reasonable, taking into account the nature of the business in the industry, the contributions of the Participants, and the share capital. The Directors believe that the size of the Plan will give the Company sufficient flexibility to decide the number of Shares to be awarded under the Plan. However, it does not indicate that the Plan Committee will definitely issue Shares up to the prescribed limit. The Plan Committee will exercise its discretion in deciding the number of Shares to be awarded to each Participant under the Plan. This, in turn, will depend on and be commensurate with the performance and value of the Participant to the Group.

4.2.3 Duration

The Plan shall continue in force at the discretion of the Plan Committee, subject to a maximum period of 10 years commencing on the date on which the Plan is adopted by the Company in a general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

4.2.4 Awards

Awards represent the right of a Participant to receive fully-paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period. In addition to the performance targets, in relation to each Award, the Plan Committee shall have the discretion to prescribe a vesting period of between 1 to 10 years depending on the importance of the individual Participant to the long-term growth of the Group and such other conditions as the Plan Committee may determine.

The Company believes that the ability to offer Awards free of charge will operate as a means to recognise and acknowledge the Participant for their outstanding performance and a reward for their valuable and dedicated service to the Company, as well as to motivate and encourage greater dedication and loyalty to the Company. It will also help to place the Company in a more competitive position in the recruitment and retention of staff in an intensely competitive environment by enhancing the competitiveness of remuneration packages offered to existing and prospective employees.

Shares which are allotted and issued or transferred to a Participant are not subject to any restrictions against disposal or sale or any other dealings by the Participant.

4.2.5 Entitlement to Awards

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Plan Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

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4.2.6 Details of Awards

The Plan Committee shall decide, *inter alia*, at its sole discretion, the following:

- (a) the Participants;
- (b) the Award Date;
- (c) the performance period;
- (d) the number of Shares which are the subject of the Award;
- (e) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
- (f) the Released Schedule; and
- (g) any other condition which the Plan Committee may determine in relation to that Award.

4.2.7 Operation of the Plan

Subject to prevailing legislation and the rules of the Listing Rules, the Company, in its sole and absolute discretion, will deliver Shares to Participants upon vesting of their Awards by way of either:

- (a) an issue and allotment of new Shares; or
- (b) delivering existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to the share purchase mandate or (to the extent permitted by law) held as treasury shares.

In determining whether to issue and allot new Shares or the delivery of existing Shares to the Participants to satisfy the Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing and allotting new Shares or delivering existing Shares.

The financial effects of the above methods are discussed in section 4.4 below.

New Shares allotted and issued and existing Shares procured by the Company for delivery, on the release of an Award shall be subject to the Constitution of the Company and shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The Plan Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Plan Committee shall have the right to make reference to the audited results of the Company or the Group to take into account such factors as the Plan Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Plan Committee decides that a changed performance target would be a fairer measure of performance.

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4.3 Role and composition of the Plan Committee

The Plan shall be administered by the Plan Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

In compliance with the requirements of the Listing Manual, a Participant of the Plan who is a member of the Plan Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by him or his Associates.

4.4. Financial effects of the Plan

4.4.1 Share capital

The Plan may result in an increase in the Company's issued Shares where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Plan and also whether the Awards are being satisfied or partly satisfied by Shares purchased by the Company. If instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the Plan will have no impact on the Company's issued Shares.

In any case, the Plan provides that the number of Shares to be issued under the said Plan, together with the number of the Shares to be issued under the Option Scheme, will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding treasury shares and subsidiary holdings).

4.4.2 NTA

As explained in section 4.4.5 below, the Plan will result in a charge to the Company's profit and loss statement equal to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards. If new Shares are issued to Participants pursuant to the vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants, the NTA would decrease by the cost of the Shares purchased.

4.4.3 EPS

The Plan will result in a change to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards.

Although the Plan will have a dilutive impact (to the extent that new Shares are issued pursuant to the Plan) on the EPS, it should again be noted that the delivery of Shares to Participants in respect of Awards will be contingent upon the Participants meeting the prescribed performance targets and conditions.

4.4.4 Dilutive Impact

It is expected that the dilutive impact of the Plan on the NTA per Share and EPS will not be significant as the Plan provides that the aggregate number of Shares available under it, when aggregated with aggregate number of Shares of any other share-based schemes of the Company (including the Option Scheme), will be subject to the maximum limit of 15% of the Company's total issued Shares (excluding treasury shares and subsidiary holdings).

4.4.5 Potential Cost of Awards

The Plan is considered a share-based payment that falls under the scope of FRS102, Share-based payment. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

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The fair value of employee services received in exchange for the grant of the Awards would be recognised as an expense in the income statement with a corresponding increase in a reserve account over the vesting period. The total expense to be recognised over the vesting period is determined by reference to the fair value of each Award granted on the date of the grant. As at each financial year end, the Company will revise its estimated number of New Shares under the Awards that are expected to become exercisable on the vesting date recognised the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining vesting period.

The expense recognised in the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a “*market condition*”. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the expense to be recognised in the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative expense recognised in the income statement if the Awards do not ultimately vest.

4.5 Adjustments and alterations under the Plan

If a variation in the issued ordinary Share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Plan Committee may determine at its own discretion to be appropriate.

Unless the Plan Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) issue of securities as consideration for an acquisition or a private placement of securities;
- (b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to the Company’s Directors or Employees pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Plan, the Option Scheme and any other share-based incentive schemes implemented by the Company;
- (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and

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- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Notwithstanding the provisions of rules of the Plan:

- (a) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; or
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Upon any adjustment required to be made pursuant to rules of the Plan, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

Subject to the Rules of the Plan, the Plan may be modified and/or altered at any time and from time to time by a resolution of the Plan Committee provided that:

- (a) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were released to them in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
- (b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

5. DISCLOSURES

In accordance with the rules of the Listing Manual, the following shall be disclosed by the Company in its annual report as long as the Option Scheme and/or the Plan continues in operation:

- (a) The names of the committee administering the Option Scheme and/or the Plan;
- (b) In respect of the following Participants:
 - (i) Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates;
 - (iii) Participants other than those referred to in (b)(i) and (b)(ii) above, who have been granted Options under the Option Scheme and/or who have received Shares pursuant to the vesting of Awards granted under the Plan which, in aggregate, represent five per cent (5%) or more of the aggregate of the total number of Shares available under both the Plan and the Option Scheme collectively the following information must be disclosed:
 - (A) the name of the Participant;

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- (B) the following particulars relating to Options granted under the Option Scheme and/or Awards granted under the Plan (as the case may be):
 - (aa) Options granted during the financial year under review (including terms);
 - (bb) the aggregate number of Shares comprised in Options or Awards (as the case may be) granted since the commencement of the Scheme or the Plan to the end of the financial year under review;
 - (cc) (for the Option Scheme) the aggregate number of Options exercised since the commencement of the Option Scheme up to the end of the financial year under review;
 - (dd) (for the Option Scheme) the aggregate number of Options outstanding as at the end of the financial year under review;
 - (ee) (for the Plan) the aggregate number of Shares issued to such Participant under the Plan during the financial year under review; and
 - (ff) (for the Plan) the aggregate number of Shares comprised in the Awards which have not been Released, as at the end of the financial year under review;
- (iv) Where applicable, the number and proportions of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (c) such other information as may be required by the Listing Manual or the Act.

If any of the above disclosure is not applicable, an appropriate negative statement will be included.

6. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATE, EMPLOYEES OF GROUP COMPANIES AND NON-EXECUTIVE DIRECTORS IN THE OPTION SCHEME AND THE SHARE PLAN

6.1 Participation by Employees of Group Companies

The Company recognises that Employees of Group Companies contribute to the growth, development and success of the Group and acknowledges that there should be other means of rewarding such persons apart from the usual cash remuneration. The Company therefore proposes that these persons be eligible to participate in the Option Scheme and in the Plan to provide the Group Companies with the flexibility of combining Option(s) and/or Award(s) with the usual cash remuneration for a more attractive remuneration package. This will motivate Employees of Group Companies to improve their level of performance and also to aid their retention and continued contribution to Group Companies which would in turn result in benefits to the Company and the Group.

In deciding whether to grant Option(s) and/or Award(s) to Employees of Group Companies, the Company will consider, *inter alia*, the contributions of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the Option Scheme and/or the Plan. For the purposes of assessing their contributions, the Committee may adopt a performance framework which incorporates financial and/or non-financial performance criteria.

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6.2 Participation by Non-Executive Directors

It is proposed that the Option Scheme and the Plan be extended to Non-Executive Directors (which includes the independent Directors of the Company) who work closely with the Company and by reason of their relationships with the Company, are in a position to give input and contribute their experience, knowledge and expertise to the development and prosperity of the Group. By implementing the Option Scheme and the Plan and giving Non-Executive Directors an opportunity to participate in the equity of the Company, their working relationships with the Company will be enhanced as it will instil in them a greater sense of involvement. The extension of the Option Scheme and the Plan to Non-Executive Directors will also enable the Company to continue to attract capable individuals to sit on the Board as Non- Executive Directors.

In order to minimise any potential conflicts of interests, the Company does not intend to grant Options and/or Awards of significant sizes to Non-Executive Directors (which includes the independent Directors of the Company). In particular, in the event that any Options and/or Awards are granted to the Non-Executive Directors, the quantum of such Options and/or Awards will not be of such significance as will affect or compromise the independence of such Non-Executive Directors.

As a safeguard against abuse, no member of the Option Scheme Committee and/or the Plan Committee shall be involved in any deliberation in respect of Options and/or Awards to be granted to him.

6.3 Participation by Controlling Shareholders and their Associates

6.3.1 Rationale

The key objective of the Option Scheme and the Plan is to motivate Employees and Directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Option Scheme and the Plan may be effective in motivating Employees and Directors to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies.

To this end, Employees and Directors, including Controlling Shareholders and their Associates shall be treated equally as these Controlling Shareholders and their Associates are important to the development and success of the Group. As such, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, the Company's view is that all deserving and eligible Participants should be similarly entitled to take part and benefit from the Company's fair and equitable system of remuneration.

Although the Controlling Shareholders and their Associates may already have shareholding interests in the Company, the extension of the Option Scheme and the Plan to include them ensures that they are similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Directors are of the view that the Company should have a fair and equitable system to reward the eligible persons who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or their Associates.

The terms of the Option Scheme and the Plan do not differentiate between the Controlling Shareholders and their Associates from other Participants in determining the eligibility of such persons to be granted Option(s) and/or Award(s). They should not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be excluded from participating in the Option Scheme and the Plan solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to de-motivate them and undermine the objectives of the Option Scheme and the Plan.

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6.3.2 Safeguards

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations in respect of Option(s) and/or Award(s) (as the case may be) to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Option(s) and/or Award(s) (as the case may be).

Specific approval of the Independent Shareholders is required for the grant of Option(s) and/or Award(s) to Controlling Shareholders and their Associates as well as the actual number of and terms of such Option(s) and/or Award(s). In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Option(s) and/or Award(s) and terms of the Option(s) and/or Award(s) to be granted to the Controlling Shareholders and their Associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of the Controlling Shareholders and their Associates in the Option Scheme and the Plan.

6.3.3 Controlling Shareholders and their Associates

Under the Listing Manual, the specific grant of Option(s) to Controlling Shareholders and their Associates will have to be approved by the other Shareholders of the Company at a general meeting.

It is proposed that Dr Ng Chin Siau ("**Dr Ng**") (the Group Executive Officer of the Company, and a Controlling Shareholder of the Company), Ms Foo Siew Jiuian ("**Ms Foo**") (General Manager of the Company), Ms Ng Sook Hwa (Group Financial Controller of the Company), Ms Ng Sook Jing (Human Resource and Administrative Executive of the Company) and Ms Ng Sui Hing (Group Finance Manager of Q & M Dental Group (Malaysia) Sdn Bhd), be entitled to participate in the Option Scheme and the Plan. Ms. Foo is the wife of Dr Ng. Ms Ng Sook Hwa, Ms Ng Sook Jing and Ms Ng Sui Hing are sisters of Dr. Ng. Ms. Foo, Ms Ng Sook Hwa, Ms Ng Sook Jing and Ms Ng Sui Hing are therefore considered to be Associates of Dr Ng.

6.3.4 Rationale and justification for the proposed participation of Dr Ng, a Controlling Shareholder, in the Option Scheme and the Plan

Dr Ng is the Chief Executive Officer of the Company, a position which he has held since 2008.

Dr Ng has almost 20 years of experience in the dental industry. Under Dr Ng's leadership, the

Group has managed to grow its business steadily since its founding in November 1996. Dr Ng's participation in the Option Scheme and the Plan would allow the Company to recognise and reward him for his contributions to the Group. In addition, the Company recognises that Dr Ng is vital to leading in all aspects of the Group's business strategies, business development, policy planning, manpower requirements and day-to-day management and the Company therefore wishes to allow Dr Ng to participate in the Option Scheme and the Plan. The Company is of the view that the proposed participation of Dr Ng in the Option Scheme and the Plan will encourage him to take a long-term view of the Group and motivate him towards improving the Company's performance.

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6.3.5 Rationale and justification for the proposed participation by Ms Foo, an Associate of a Controlling Shareholder, in the Option Scheme and the Plan

Ms Foo is our General Manager and her current responsibilities include assisting our Chief Operating Officer on our Group's matters involving human resource, procurement, ISO implementation issues and complaints handling. The Company considers Ms Foo's experience and contribution towards the Group's operations, continued growth and development to be invaluable and therefore wishes to allow Ms Foo to participate in the Option Scheme and the Plan.

6.3.6 Rationale and justification for the proposed participation by Ms Ng Sook Hwa, an Associate of a Controlling Shareholder, in the Option Scheme and the Plan

Ms Ng Sook Hwa is our Group Financial Controller and her current responsibilities include assisting our Chief Financial Officer in our finance and compliance matters. The Company is of the view that Ms Ng Sook Hwa's contributions to the Group will be beneficial to the operations and profitability of the Group, and her participation in the Option Scheme and the Plan will encourage her to take a long-term view of the Group and motivate her towards improving the Company's performance.

6.3.7 Rationale and justification for the proposed participation by Ms Ng Sook Jing, an Associate of a Controlling Shareholder, in the Option Scheme and the Plan

Ms Ng Sook Jing is one of our area managers overseeing the operation of a cluster of clinics. Her current responsibilities include general administration, training of staff as well as the managing the financial performance of clinics under her care. The Company is of the view that Ms Ng Sook Jing will continue to contribute to the further development and success of the Group and that her continued contributions and participation in the administration of the Company is beneficial towards the continued growth and expansion of the Company's business.

6.3.8 Rationale and justification for the proposed participation by Ms Ng Sui Hing, an Associate of a Controlling Shareholder, in the Option Scheme and the Plan

Ms Ng Sui Hing is our Group Finance Manager and her current responsibilities include assisting our Chief Financial Officer and Group Financial Controller in our finance and accounting matters, as well as the expansion in Malaysia. The Company is of the view that Ms Ng Sui Hing's participation in the Option Scheme and the Plan will encourage her greater dedication to the Company.

6.3.9 Specific approval from Independent Shareholders for any grant of Options or Awards to any Controlling Shareholders and their associates

Subject to Shareholders' approval at the EGM for the adoption of the Option Scheme and for their participation in the Option Scheme, in the event that the Company decides to grant any Options under the Option Scheme or any Awards under the Plan to any of Dr Ng, Ms Foo, Ms Ng Sook Hwa, Ms Ng Sook Jing and Ms Ng Sui Hing, it will make full disclosure to its independent Shareholders of the rationale and justification for, and the terms of such grant of Options and/or Awards. The Company will also seek the approval of its independent Shareholders at a general meeting.

LETTER TO SHAREHOLDERS

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The shareholding interests of the Directors and Substantial Shareholders as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders (based on notifications received from the respective Directors and Substantial Shareholders) as at the Latest Practicable Date is as follows:

Name of Director	Direct interest		Indirect/Deemed interest ⁽¹⁾	
	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾
Mr Narayanan Sreenivasan @ N Sreenivasan	320,000	0.04	-	-
Dr Ng Chin Siau ⁽³⁾	11,440,110 ⁽⁴⁾	1.46	397,823,645	50.64
Dr Ang Ee Peng Raymond	-	-	-	-
Mr Ng Weng Sui Harry	240,000	0.03	-	-
Prof Toh Chooi Gait	-	-	-	-
Mr Chik Wai Chiew (Zhi Weichao)	-	-	-	-
Name of Substantial Shareholder (other than Director)				
Quan Min Holdings Pte. Ltd. ⁽⁵⁾	397,722,645 ⁽⁶⁾	50.63	-	-
Heritas Helios Investments Pte. Ltd. ⁽⁷⁾	63,733,115	8.11	-	-
IMC Heritas Investments Ltd. ⁽⁸⁾	-	-	63,733,115	8.11
IMC Pan Asia Alliance Corporation ⁽⁹⁾	-	-	63,733,115	8.11
Heritas Capital Management Pte. Ltd. ⁽¹⁰⁾	-	-	63,733,115	8.11

Notes:

- (1) Deemed interests refer to interests in shares as defined pursuant to Section 7 of the Act.
- (2) The percentage shareholding interest is computed based 785,621,921 issued Shares (excluding 19,265,879 treasury shares) as at the Latest Practicable Date.
- (3) Dr Ng Chin Siau is deemed to have an interest in (i) the Shares held by Quan Min Holdings Pte. Ltd. by virtue of his 43.91% direct shareholding in Quan Min Holdings Pte. Ltd.; and (ii) his spouse's, Foo Siew Jiuan, 101,000 Shares.
- (4) 3,000,000 shares are held in the name of OCBC Securities Private Limited and 8,000,000 shares are held in the name of Raffles Nominee (Pte) Ltd.
- (5) Quan Min Holdings Pte. Ltd. is an investment holding company incorporated in Singapore and is the Company's ultimate parent company.
- (6) 265,957,900 shares are held in the name of various nominee accounts.
- (7) The entire shares are held in the name of Citibank Nominees Singapore Pte. Ltd..
- (8) IMC Heritas Investments Ltd. is the owner of the entire share capital of Heritas Helios Investments Pte. Ltd..
- (9) IMC Pan Asia Alliance Corporation is the owner of the entire share capital of IMC Heritas Investments Ltd., which is in turn the owner of the entire share capital of Heritas Helios Investments Pte. Ltd..
- (10) Heritas Capital Management Pte. Ltd. is the discretionary investment manager of Heritas Helios Investments Pte. Ltd..

Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

8. DIRECTORS' RECOMMENDATION

All the Directors will be eligible to participate in the Option Scheme and the Plan and have therefore refrained from making any recommendation to the Shareholders on Ordinary Resolutions 1 to 13 as set out in the Notice of EGM due to their interest in the Option Scheme and the Plan.

LETTER TO SHAREHOLDERS

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the share registrar of the Company, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

9.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 72 hours before the time fixed for the EGM.

9.3 Abstention from Voting

Any Shareholder entitled to participate or who is interested in the Option Scheme and/or the Share Plan should abstain from voting at the EGM in respect of all the Ordinary Resolutions relating to the Option Scheme (Ordinary Resolutions 1 to 7) and/or the Plan (Ordinary Resolutions 8 to 13) as set out in the Notice of EGM. Such Shareholders should also not accept nominations as proxies in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument by the independent Shareholders appointing them on how they wish their votes are to be cast for each of the aforesaid Ordinary Resolutions.

All the Directors will be eligible to participate in the Option Scheme and the Plan. Therefore, the Directors (who are also Shareholders) shall also abstain and shall procure his Associates to abstain from voting at the EGM on Ordinary Resolutions 1 to 13 as set out in the Notice of EGM. The Company will also procure that the Directors and their Associates will not accept appointments as proxies for voting at the EGM in respect of the said ordinary resolutions unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information and opinions given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the subject matters of this Circular, and the Company, and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

11. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Letter up to and including the date of the EGM:

- (a) The Constitution of the Company;
- (b) The Annual Report for FY2017;
- (c) Rules of the Option Scheme; and
- (d) Rules of the Plan.

Yours faithfully

Q & M DENTAL GROUP (SINGAPORE) LIMITED

For and on behalf of the Board of Directors
Dr Ng Chin Siau
Group Chief Executive Officer

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

1. NAME OF THE OPTION SCHEME

The Option Scheme shall be called the “Q & M Employee Share Option Scheme 2018”.

2. DEFINITIONS

2.1 In the Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

- “Associate”**
- (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
 - (i) his Immediate Family;
 - (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
 - (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/ or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Auditors”**
- The auditors of the Company for the time being.
- “Board”**
- The board of Directors of the Company.
- “CDP”**
- The Central Depository (Pte) Limited.
- “Committee”**
- The committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the Board pursuant to Rule 16 of the Option Scheme to administer the Option Scheme.
- “Companies Act”**
- The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time.
- “Company”**
- Q & M Dental Group (Singapore) Limited.
- “control”**
- The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the company.
- “Controlling Shareholder”**
- A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Manual.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

“CPF”	Central Provident Fund.
“Date of Grant”	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7.
“Director”	A person holding office as a director for the time being of the Company.
“Employee”	A confirmed employee of a Group Company.
“Exercise Notice”	Shall have the meaning ascribed to it in Rule 12.1.
“Exercise Period”	The period during which an Option is exercisable in accordance with the Rules.
“Exercise Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10.
“FY”	Financial year ended, or as the case may be, ending 31 December.
“Grantee”	A person to whom an offer of an Option is made.
“Group”	The Company and its subsidiaries.
“Group Company”	A company within the Group.
“Immediate Family”	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require.
“Incentive Option”	An Option granted with the Exercise Price set at a discount to the Market Price.
“Listing Manual”	The Listing Manual of the SGX-ST, as amended or modified from time to time.
“Market Day”	A day on which the SGX-ST is open for trading in securities.
“Market Price”	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
“Market Price Option”	An Option granted with the Exercise Price set at the Market Price.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

“New Shares”	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s).
“Offer Date”	The date on which an offer to grant an Option is made pursuant to the Option Scheme.
“Option”	The right to subscribe for Shares granted or to be granted to an Employee pursuant to the Option Scheme and for the time being subsisting.
“Option Holder”	The holder of an Option.
“Option Scheme”	The Q & M Employee Share Option Scheme, as the same may be modified or altered from time to time.
“Participant”	Any Employee or Director selected by the Committee to participate in the Option Scheme in accordance with Rule 4 of the Option Scheme.
“Record Date”	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Rules”	Rules of the Q & M Employee Share Option Scheme.
“Securities Account”	The securities account maintained by a Depositor with CDP.
“Shareholders”	The registered holders for the time being of the Shares.
“Shares”	Ordinary shares in the capital of the Company.
“Subsidiary”	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Companies Act.
“SGX-ST”	Singapore Exchange Securities Trading Limited.
“treasury shares”	Has the meaning ascribed to it in Section 4 of the Companies Act.
“\$” or “S\$”	Singapore dollars.

- 2.2 The term “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to it by Section 130A of the Companies Act.
- 2.3 The term “Associate” shall have the meaning ascribed to it by the SGX-ST Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).
- 2.4 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.5 Any reference to a time of a day in the Option Scheme is a reference to Singapore time.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- 2.6 Any reference in the Option Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Option Scheme shall have the meaning assigned to it under the Companies Act as the case may be.

3. OBJECTIVES OF THE OPTION SCHEME

The Option Scheme will provide an opportunity for Employees and Directors who have contributed significantly to the growth and performance of the Company and who satisfy the eligibility criteria as set out in Rule 4 of the Option Scheme, to participate in the equity of the Company.

The Option Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Employees and Directors are important to the success and continued well-being of the Group. Implementation of the Option Scheme will enable the Company to give recognition to the contributions made by such persons. At the same time, it will give such Participants an opportunity to have a real and personal direct interest in the Company and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

4. ELIGIBILITY

- 4.1 The following persons shall be eligible to participate in the Option Scheme at the absolute discretion of the Committee:-

- (a) Employees and Directors who have attained the age of twenty-one on or before the Offer Date and who are not undischarged bankrupts; and
- (b) Controlling Shareholders or their Associates who qualify under sub-paragraph (a) above, provided that:-
 - (i) their participation in the Scheme is specially approved by independent Shareholders in a separate resolution for each such person;
 - (ii) the aggregate number of Shares available to such Controlling Shareholders and their Associates shall not exceed 25.0 per cent. of the total number of Shares available under the Option Scheme; and
 - (iii) the number of Shares available to any one Controlling Shareholder or his Associates shall not exceed 10.0 per cent. of the total number of Shares available under the Option Scheme.

Any Director who is a member of the Committee shall not be involved in the Committee's deliberations and decision in respect of Options to be granted to or held by that Director or employee. As a safeguard against abuse, in respect of Options to be granted to Controlling

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

Shareholders and their Associates and the terms and conditions attached to such Options, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations.

No Option shall be granted to such Controlling Shareholder(s) or their Associates unless his participation in the Option Scheme and the actual number and the terms of the Options to be granted shall have been approved by the independent Shareholders in separate resolutions for each such person. A circular, letter or notice of participation proposing such a resolution should include clear rationale for the proposed participation by such Controlling Shareholders or their Associates. Such circular, letter or notice to Shareholders shall also include a clear rationale for the number and terms (including Exercise Price) of the Options to be granted.

Such Controlling Shareholder and Associate shall abstain from voting on the resolution in relation to his participation in the Option Scheme, the actual number and terms of Options to be granted and the grant of Options to him.

- 4.2 For the purposes of sub-paragraph 4.1(a) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other Group Companies or by any associated company or otherwise.
- 4.4 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Option Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Option Scheme shall be determined at the discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Participant. In respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Options, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations.

6. LIMITATION ON SIZE OF THE OPTION SCHEME

- 6.1 The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Option(s) granted under the Option Scheme and/or treasury shares delivered in respect of the Option(s)) over which the Committee may grant Options on any date, when added to:
- (a) the aggregate number of Shares issued or issuable in respect of any other share schemes of the Company; and
 - (b) the number of treasury shares delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15.0 per cent. of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the Date of Grant.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- 6.2 The aggregate number of Shares over which the Committee may grant Options to the Controlling Shareholders and their Associates under the Option Scheme shall not exceed 25.0 per cent. of the Shares available under the Option Scheme, provided always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10.0 per cent. of the Shares available under the Option Scheme.
- 6.3 The number of Shares comprised in the Market Price Options or Incentive Options, as the case may be, to be offered to any Participant in accordance with the Option Scheme shall be determined at the absolute discretion of the Committee, who shall take into account, in respect of the Participant, criteria such as rank, past performance, years of service and potential for future development of that Participant.
- 7. DATE OF GRANT**
- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer of grant of Option(s) shall be made during the period of one (1) month immediately preceding the date of announcement of the Company's full-year results and two (2) weeks before the announcement of the results of the Company for each of the first, second and third quarters of its financial years (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter of offer in or substantially in the form set out in Appendix A1, subject to such amendments as the Committee may determine from time to time.
- 8. ACCEPTANCE OF OFFER**
- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Appendix A2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Option Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.5 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the 30 day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee (being an Employee) ceases to be in the employment of the Group or (being a Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:
- (a) a price equal to the Market Price; or
 - (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20.0 per cent. of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Option Scheme at a discount not exceeding the maximum discount as aforesaid.

In the event that the SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company and the other Group Companies;
 - (b) the years of service and individual performance of the Participant;
 - (c) the contribution of the Participant to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Option(s) may be granted to Option Holders,

may, be adjusted in such manner as the Committee may determine to be appropriate including but not limited to retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.

10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Option Scheme.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. EXERCISE PERIOD

11.1 Subject to Rule 11.2 below, unless otherwise determined in the sole discretion of the Committee, Options granted shall be exercised in the following manner:-

- (a) in the case of Market Price Options granted to a Participant:- (i) one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the first anniversary of the Date of Grant of that Option; (ii) the next one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the second anniversary of the Date of Grant of that Option; and (iii) the remaining one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the third anniversary of the Date of Grant of that Option, PROVIDED ALWAYS THAT all the Options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company; and

- (b) in the case of Incentive Options granted to a Participant:- (i) one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the second anniversary of the Date of Grant of that Option; (ii) the next one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the third anniversary of the Date of Grant of that Option; and (iii) the remaining one-third ($\frac{1}{3}$) of such Options granted shall only vest and be exercisable by an Option Holder after the fourth anniversary of the Date of Grant of that Option, PROVIDED ALWAYS THAT all the Options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company.

11.2 Market Price Options may only be exercised after the first anniversary of the Date of Grant of such Options. Incentive Options may only be exercised after the second anniversary of the Date of Grant of such Options.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Option Holder shall have no claim against the Company:

- (a) subject to Rules 11.3, 11.4, 11.5, 11.6, 11.7 and 11.8, upon the Option Holder ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
- (b) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If an Option Holder ceases to be employed by a Group Company by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Committee; or
- (e) or for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant Exercise Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

11.5 If an Option Holder ceases to be employed by a Group Company by reason of the Group Company, by which he is principally employed, ceasing to be a company within the Group, the undertaking or part of the undertaking of such Group Company, being transferred otherwise than to another Group Company, or for any other reason, provided the Committee gives its consent in

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

writing, he may, at the absolute discretion of the Committee, exercise any unexercised Option(s) within the relevant Exercise Period and upon the expiry of such period, the Option(s) remaining unexercised shall immediately lapse and become null and void.

- 11.6 If an Option Holder dies and at the date of his death holds any unexercised Option(s), such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.
- 11.7 If an Option Holder, who is also a Director, ceases to be a Director for any reason (other than by reason of his resignation), he may, at the absolute discretion of the Committee, exercise any unexercised Option(s) held by him within the relevant Exercise Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.
- 11.8 For the avoidance of doubt, upon an Option Holder ceasing to be employed by a Group Company by reason of his resignation from such Group Company, any Option(s) held by him remaining unexercised as at the date of his notice of resignation shall immediately lapse and become null and void.

12. EXERCISE OF OPTION(S), ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix A3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Option Scheme, the Memorandum and Articles of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, issue and allot and/or transfer the Shares in respect of which such Option has been exercised by the Participant and deliver the relevant share certificates to CDP for the credit of the Securities Account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.4 Shares which are all allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the Securities Account of the Participant maintained with CDP or the Participant’s securities sub-account with a CDP Depository Agent.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- 12.5 Shares issued and allotted or treasury shares which are transferred upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.
- 12.6 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.7 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS TO THE OPTION SCHEME

- 13.1 Any or all the provisions of the Option Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Option Scheme shall be subject to the prior approval of the Company's Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Option Scheme in any way to the extent necessary to cause the Option Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. DURATION OF THE OPTION SCHEME

- 14.1 The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- 14.2 The Option Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Option Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Option Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void. Provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period.

- 15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee.
- 15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date of such order or resolution shall lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it despatches such notice to each

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE OPTION SCHEME

- 16.1 The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board. In respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Options, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Option Scheme) for the implementation and administration of the Option Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Option Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Option Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Option(s) to be granted to him.

17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Option Scheme or any Option shall not form part of any contract of employment between the Company or any Group Company and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Option Scheme or any right which he may have

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

to participate in it or any Option which he may hold and the Option Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

- 18.2 The Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any Group Company directly or indirectly or give rise to any cause of action at law or in equity against any Group Company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Option Scheme shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE OPTION SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Option Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Option Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued and/or transferred pursuant to the exercise of an Option if such issue and/or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Companies Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Option Scheme, including but not limited to the Company's delay in allotting and issuing and/or transferring the Shares or in applying for or procuring the listing of the Shares on the SGX-ST.

23. DISCLOSURES

- 23.1 In accordance with the Listing Manual, the Company shall, on any grant of Option(s) make an announcement providing details of the grant, including the date of grant, exercise price of Option(s) granted, number of Option(s) granted, market price of its securities on the date of grant, number of Option(s) granted to directors and controlling shareholders (and their associates), if any, and validity period of the Option(s).
- 23.2 The Company shall make the following disclosure in its annual report:
- (a) The names of the members of the Committee administering the Option Scheme;

APPENDIX A – PROPOSED RULES OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular FY):
- (i) Participants who are Directors of the Company; and
 - (ii) Participants who are Controlling Shareholders of the issuer and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) who receive five per cent. or more of the total number of Options available under the Option Scheme.

Name of Participant	Options granted during FY under review (including terms)	Aggregate Options granted since commencement of the Option Scheme to end of FY under review	Aggregate Options exercised since commencement of the Option Scheme to end of FY under review	Aggregate Options outstanding as at end FY under review

- (c) The number and proportion of Options granted at the following discounts to the relevant Market Price of the Shares in the FY under review:
- (i) Options granted at up to 10.0 per cent. discount; and
 - (ii) Options granted at between 10.0 per cent. but not more than 20.0 per cent. discount.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Option Scheme must abstain from voting on any Shareholders' resolution relating to the Option Scheme.

25. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates must be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Options (including the actual number and the terms of the Options to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions for each such grant of Options.

26. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

27. GOVERNING LAW

The Option Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Option Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX A1 – LETTER OF OFFER

Serial No:

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam,

Q & M EMPLOYEE SHARE OPTION SCHEME 2018

1. We have the pleasure of informing you that, pursuant to the Q & M Employee Share Option Scheme 2018 (“**Option Scheme**”), you have been nominated to participate in the Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Q & M Dental Group (Singapore) Limited (the “**Company**”) to administer the Option Scheme. Terms as defined in the Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ on _____, failing which this offer will lapse.

Yours faithfully,

For and on behalf of
Q & M Dental Group (Singapore) Limited

Name:

Designation:

APPENDIX A2 – ACCEPTANCE FORM

Serial No:

PRIVATE AND CONFIDENTIAL

Date:

**To: The Committee,
Q & M Employee Share Option Scheme 2018
Q & M Dental Group (Singapore) Limited
81 Science Park Drive
#02-04, The Chadwick
Singapore 118257**

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Exercise Price for each Share : S\$_____

Total Amount Payable : S\$_____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or Options to subscribe for such Shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitutes the entire agreement between us relating to the offer.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as of the date hereof, I satisfy the requirements to participate in the Option Scheme as set out in the Rules of Option Scheme.

APPENDIX A2 – ACCEPTANCE FORM

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

** Delete as appropriate*

Notes:

1. Option must be accepted in full or in multiples of 1,000 Shares.
2. This Acceptance Form must be addressed to The Committee, Q & M Employee Share Option Scheme 2018 in a sealed envelope marked "Private and Confidential".
3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX A3 – EXERCISE NOTICE

PRIVATE AND CONFIDENTIAL

**To: The Committee,
Q & M Employee Share Option Scheme 2018
Q & M Dental Group (Singapore) Limited
81 Science Park Drive
#02-04, The Chadwick
Singapore 118257**

Total number of ordinary shares (“**Shares**”)
at S\$_____ per Share under an Option
granted on _____ (“**Date of Grant**”) :

Number of Shares previously allotted and
issued thereunder :

Outstanding balance of Shares which may be
allotted and issued thereunder :

Number of Shares now to be subscribed (in
multiples of 1,000) :

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Q & M Dental Group (Singapore) Limited (the “**Company**”) at S\$_____ for each Share.

2. I hereby request the Company to allot and issue to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my *Securities Account with CDP/*Securities Sub-Account with a CDP Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:-

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of CDP Depository Agent : _____

3. I enclose a *cheque/cashier’s order/bank draft/postal order no. _____ for S\$_____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$_____.

4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Q & M Employee Share Option Scheme 2018 (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.

5. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

APPENDIX A3 – EXERCISE NOTICE

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

** Delete as appropriate*

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. This Exercise Notice must be forwarded to The Committee, Q & M Employee Share Option Scheme 2018 in a sealed envelope marked "Private and Confidential".

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

1. NAME OF THE PLAN

The Plan shall be called the “Q & M Performance Share Plan 2018”.

2. DEFINITIONS

In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time;
“Associate”	(a) in relation to any Director, Chief Executive Officer of the Company or a Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
“Auditors”	The auditors of the Company for the time being;
“Award”	A contingent award of Shares granted under the Plan;
“Award Date”	In relation to an Award, the date on which the Award is granted;
“CDP”	The Central Depository (Pte) Limited;
“Circular”	This circular to Shareholders dated 29 October 2018;
“Chief Executive Officer”	The most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the Company;
“Committee”	The committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the Board pursuant to Rule 10 of the Plan to administer the Plan.
“Company”	Q & M Dental Group (Singapore) Limited;

**APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE
PLAN 2018**

“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises Control over the Company;
“CPF”	Central Provident Fund;
“Director”	A director of the Company, including an alternate director for the time being;
“Employee”	A employee of the Group;
“Executive Director”	A director of the Company who performs an executive function;
“Group”	The Company and its Subsidiaries, collectively;
“Immediate Family”	In relation to a person means the person’s spouse, child, adopted child, step-child, sibling and parent;
“Independent Director”	An independent director of the Company;
“Listing Board”	The mainboard of the SGX-ST;
“Listing Manual”	Part A: Mainboard Rules of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
“Non- Executive Director”	A non-executive non-independent director of the Company;
“Participant”	An eligible person elected by the Remuneration Committee to participate in the Plan in accordance with the rules thereof;
“Plan”	The proposed share performance plan, as modified or altered from time to time;
“Record Date”	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions;
“Released Award”	An Award which has been released in accordance with Rule 7;

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

“Released Schedule”	In relation to an Award, a schedule in such form as the Remuneration Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
“Rules”	These Rules of the Plan as set out in the Appendix 1 to the Circular and any reference to a particular Rule shall be construed accordingly;
“Securities Account”	A securities account maintained by a Depositor with CDP but does not include a securities sub-account;
“SGX-ST”	The Singapore Exchange Securities Trading Limited;
“Shareholders”	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts;
“Shares”	Ordinary shares in the capital of the Company;
“Subsidiary”	Has the meaning ascribed to it in Section 5 of the Act;
“Vesting Date”	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have vested pursuant to Rule 7;

Currencies, Units and Others

“S\$” and “SG cents” Singapore dollars and cents, respectively; and

“%” or “per cent.” Percentage or per centum.

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Plan to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, the SGX-ST Listing Manual or any modification thereof and used in this Plan shall have the same meaning assigned to it under the Act, the SGX-ST Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Plan shall be a reference to Singapore time unless otherwise stated.

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

The headings in this Plan are inserted for convenience only and shall be ignored in construing this Plan.

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for Participants to achieve these targets. The Directors believe that the new plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company and also help to achieve the following positive objectives:

- (a) incentivise Employees to excel in their performance and encourage greater dedication and loyalty to the Company;
- (b) attract and retain Employees whose contributions are important to the long-term growth and profitability of the Group; and
- (c) recognise and reward past contributions and services and motivate Employees to continue to strive for the Group's long-term prosperity.

4. ELIGIBILITY

4.1 The persons eligible to participate in the Plan must be:

- (a) Employees and Directors who have attained the age of twenty-one on or before the Offer Date and who are not undischarged bankrupts; and
- (b) Controlling Shareholders or their Associates who qualify under sub-paragraph (a) above, provided that:-
 - (i) their participation in the Plan is specially approved by independent Shareholders in a separate resolution for each such person;
 - (ii) the aggregate number of Shares available to such Controlling Shareholders and their Associates shall not exceed 25.0 per cent. of the total number of Shares available under the Plan; and
 - (iii) the number of Shares available to any one Controlling Shareholder or his Associates shall not exceed 10.0 per cent. of the total number of Shares available under the Plan.

4.2 Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria set out in Rule 4.1 above are eligible to participate in the Plan provided that:

- (a) their participation; and
- (b) the terms of each grant and actual number of Awards to be granted to them under the Plan, have been approved by the independent Shareholders in a general meeting, in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual number of Shares and terms of any Award to be granted to him.

For the purposes of obtaining such approval of the independent Shareholders, the Committee shall procure that the circular, letter or notice to the Shareholders in connection therewith shall set out the following:-

- (i) clear justifications for the participation of such Controlling Shareholders or Associates of Controlling Shareholders; and

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

- (ii) clear rationale for the terms of the Award to be granted to such Controlling Shareholders or Associates of Controlling Shareholder.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option schemes or share incentive schemes implemented or to be implemented by the Company or another company within the Group.
- 4.4 Subject to the Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Participants, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take account criteria such as, *inter alia*, his rank, scope of responsibilities, performance, years of service and potential for future development and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period. The performance targets will be set by the Committee depending on each individual Participant's job scope and responsibilities.

The performance targets which may be set by the Committee are intended to be based on corporate objectives covering market competitiveness, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets which may be set, include target-based criteria such as shareholders' return, return on equity, market share and return on sales of the Group and other criteria as the Committee may determine.

In addition to the performance targets, in relation to each Award, the Committee shall have the discretion to prescribe a vesting period of between 1 to 10 years depending on the importance of the individual Participant to the long-term growth of the Group and such other conditions as the Committee may determine.

- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the performance period;
 - (d) the number of Shares which are the subject of the Award;
 - (e) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
 - (f) the Released Schedule; and
 - (g) any other condition which the Committee may determine in relation to that Award.

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

- 5.4 The Committee may amend or waive the performance period, the performance target(s) and/or the Released Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if Shareholders or under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
 - (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed performance target(s) and/or Released Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the performance target(s) and/or Released Schedule should be waived,
- and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an award letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the performance period;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the performance target(s);
 - (e) the Released Schedule; and
 - (f) any other condition which the Committee may determine in relation to that Award.
- 5.6 Participants are not required to pay for the grant of Awards.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING PERIOD

- 6.1 An Award shall, to the extent not yet released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) subject to Rule 6.2, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever;
 - (c) the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award; or

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- (d) in the event of an order being made or a resolution passed for the winding up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1 (b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date. Further, for the purpose of determining eligibility to participate in the Plan, the secondment of an employee of the Group to another company within the Group shall not be regarded as a break in his employment with or his having ceased by reason only of such secondment to be a full-time employee of the Group (as applicable).

6.2 In any of the following events, namely:

- (a) where the Participant, ceases to be in the employment of the Group by reason of:
- (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee; or
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company of the Group;
- (b) the Participant ceasing to be a Non-Executive Director or Independent Director for any reason; or
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

then the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the performance period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the performance target(s) has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the applicable courts under applicable legislation; or
- (c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1 (d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, and subject to any legal or regulatory requirements, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested

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in respect of such Award, the Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the performance target(s) has been satisfied and any legal or regulatory requirements, provided that any Awards not released prior to commencement of the winding up of the Company (whether voluntary or by order of court) shall, upon commencement of such winding up be null and void. Subject to the foregoing, where Awards are released, the Committee will, as soon as practicable after the Awards have been released, procure the allotment to each Participant of the number of Shares so determined, such allotment to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

- 7.1 As soon as reasonably practicable after the end of each performance period, the Committee shall review the performance target(s) specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.
- 7.2 If the Committee determines in its sole discretion that the performance target(s) has not been satisfied or if the relevant Participant has not continued to be an employee of the Group from the Award Date up to the end of the relevant performance period that Award (subject to Rule 6) shall lapse and be of no value and the provisions of Rules 7.2 to 7.10 shall be of no effect.
- 7.3 The Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.
- 7.4 Subject to the prevailing legislation and the provisions of the Listing Manual, the Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of Shares to the Participant.
- 7.5 In determining whether to issue new Shares or to transfer Shares held in treasury to satisfy the Award, the Company will have the right to take into account factors such as but not limited to the number of Shares to be delivered, the prevailing market price of the Shares, the financial effect on the Company of either issuing new Shares or transferring Shares held in treasury.
- 7.6 The Committee will procure, upon the Board's approval therefore, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 5. Any proposed issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Act for the issue of Shares. Any allotment of new Shares pursuant to an Award will take into account the rounding of odd lots.
- 7.7 Where new Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review by the Committee referred to in Rule 7.1. On the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- 7.8 Where new Shares are to be allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares on the Listing Board.
- 7.9 Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:
- (a) the Securities Account of that Participant maintained with CDP; or

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- (b) or the securities sub-account of that Participant maintained with a Depository Agent, or
- (c) the CPF investment account maintained with a CPF agent bank,

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

7.10 New Shares allotted and issued, and existing Shares held in treasury procured by the Company for transfer, on the release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or before the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan, when on any date, when added to the number of Shares issued and/or issuable and/or transferred and transferable in respect of all Awards granted under the Plan and all Shares issued and issuable and/or transferred and transferrable in respect of all options granted or awards granted under any other share schemes or share plans which the Company adopted and for the time being in force or may implement from time to time, shall not exceed fifteen per cent (15%) of the total issued Shares in the capital of the Company (excluding any Shares held in treasury and subsidiary holdings) on the day preceding the relevant Award Date.

8.2 The following additional limits must not be exceeded:-

- (a) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Plan; and
- (b) The number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Plan.

8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

9.1 If a variation in the issued ordinary Share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine at its own discretion to be appropriate.

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- 9.2 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:
- (a) issue of securities as consideration for an acquisition or a private placement of securities;
 - (b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
 - (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to the Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Plan or any other share-based incentive schemes implemented by the Company;
 - (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.
- 9.3 Notwithstanding the provisions of Rule 9.1:
- (a) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
 - (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.
- 9.4 Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.
- 9.5 Subject to the Rules, the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee provided that:
- (a) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards granted prior to such modification or alteration except with the consent in writing of such number of Plan Participants who, if their Awards were released to them in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
 - (b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

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10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations of the Committee in respect of the Awards to be granted to him in compliance with the requirements of the Listing Manual.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any right under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were released to them upon the performance target(s) for

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance target(s) for all outstanding Awards being satisfied in full;

- (b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1 (a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST or such other stock exchange on which the Shares are quoted or listed).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting, and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.

14.3 Notwithstanding the expiry or termination of the Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

15. TAXES

All taxes (including income tax) arising from the grant or release of any Awards to any Participants under the Plan shall be borne by the Participants.

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16. COSTS AND EXPENSES OF THE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the release of any Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including, but not limited to, the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Official List of the SGX-ST in accordance with Rule 7.8 or any other stock exchange on which the Shares are listed or quoted.

18. DISCLOSURES IN ANNUAL REPORT

- 18.1 In accordance with the rules of the Listing Manual, the following shall be disclosed by the Company in its annual report as long as the Plan continues in operation:
- (a) The names of the Committee administering the Plan;
 - (b) In respect of the following Participants:
 - (i) Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates;
 - (iii) Participants other than those referred to in (b)(i) and (b)(ii) above, who have received Shares pursuant to the vesting of Awards granted under the Plan which, in aggregate, represent five per cent (5%) or more of the aggregate of the total number of Shares available under both the Plan collectively, the following information must be disclosed:
 - (A) the name of the Participant;
 - (B) the following particulars relating to Shares which are Released under the Plan:
 - (aa) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan; and
 - (bb) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan;
 - (c) In relation to the Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in the Awards granted, since commencement of the Plan to the end of the financial year under review;

APPENDIX B – PROPOSED RULES OF THE Q & M PERFORMANCE SHARE PLAN 2018

- (ii) the aggregate number of Shares comprised in the Awards which have vested under the Plan during the financial year under review and in respect thereof, the proportion of:
 - (A) new Shares issued; and
 - (B) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased, pursuant to the Awards granted under the Plan; and
- (iii) the aggregate number of Shares comprised in the Awards granted under each of the Plan which have not been Released, as at the end of the financial year under review.
- (d) such other information as may be required by the Listing Manual or the Act.

If any of the above disclosure is not applicable, an appropriate negative statement will be included.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. ISSUE CONTRARY TO LAW

Every Award shall be subject to the condition that no Shares shall be vested pursuant to an Award under the Plan if such vesting would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number: 200800507R)

(Incorporated in the Republic of Singapore)

("Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of the Company will be held at Vista 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on 13 November 2018 at 2 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

All capitalised terms in this notice which is not defined herein shall have same meanings ascribed to them in the Circular to Shareholders of the Company dated 29 October 2018 ("Circular").

ORDINARY RESOLUTION 1: PROPOSED ADOPTION OF THE Q & M EMPLOYEE SHARE OPTION SCHEME 2018

THAT:

- (a) the Existing Scheme be and is hereby terminated;
- (b) the share option scheme to be known as the "Q & M Employee Share Option Scheme 2018" (the "**Option Scheme**"), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the Rules of the Option Scheme, and the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the Option Scheme;
 - (ii) to modify and/or amend the Option Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Option Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Option Scheme; and
 - (iii) to offer and grant Option(s) in accordance with the rules of the Option Scheme and to allot and issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of the Option(s) under the Option Scheme.

ORDINARY RESOLUTION 2: AUTHORITY TO OFFER AND GRANT OPTION(S) AT A DISCOUNT UNDER THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant Option(s) in accordance with the Rules of the Option Scheme with exercise prices set at a discount to the Market Price (as defined below), provided that such discount does not exceed the relevant limits set by Singapore Exchange Securities Trading Limited ("**SGX-ST**").

In this notice, "**Market Price**" means the average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive days on which the SGX-ST is open for securities trading ("**Market Days**") immediately prior to the relevant date of grant of an Option under the Option Scheme, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3: PROPOSED PARTICIPATION BY DR NG CHIN SIAU IN THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Dr Ng Chin Siau, a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

ORDINARY RESOLUTION 4: PROPOSED PARTICIPATION BY MS FOO SIEW JIUAN IN THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Ms Foo Siew Jiuan, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

ORDINARY RESOLUTION 5: PROPOSED PARTICIPATION BY MS NG SOOK HWA IN THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Ms Ng Sook Hwa, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

ORDINARY RESOLUTION 6: PROPOSED PARTICIPATION BY MS NG SOOK JING IN THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Ms Ng Sook Jing, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

ORDINARY RESOLUTION 7: PROPOSED PARTICIPATION BY MS NG SUI HING IN THE OPTION SCHEME

THAT subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Ms Ng Sui Hing, an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved.

ORDINARY RESOLUTION 8: PROPOSED ADOPTION OF THE Q & M PERFORMANCE SHARE PLAN 2018

THAT:

- (a) the performance share plan to be known as the "Q & M Performance Share Plan 2018" ("**Plan**") the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the Rules of the Plan, be and is hereby approved and adopted substantially in the form set out in the Rules of the Plan.
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the Plan;
 - (ii) to modify and/or amend the Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Plan and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan;
 - (iii) to grant Awards in accordance with the provisions of the Plan, to allot and issue from time to time such number of fully paid-up Shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards provided that the aggregate number of Shares to be issued or issuable pursuant to the Plan and any other share based schemes of the Company shall not exceed fifteen per cent. (15%) of the issued Shares of the Company (excluding any Shares held in treasury and subsidiary holdings) from time to time;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any Shares held in treasury) towards the satisfaction of Awards granted under the Plan;
- (v) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution; and
- (vi) to delegate any of the above to any committee of the Board of Directors.

ORDINARY RESOLUTION 9: PROPOSED PARTICIPATION BY DR NG CHIN SIAU IN THE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 8, the participation of Dr Ng Chin Siau, a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 10: PROPOSED PARTICIPATION BY MS FOO SIEW JIUAN IN THE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 8, the participation of Ms Foo Siew Jiuan, an Associate of a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 11: PROPOSED PARTICIPATION BY MS NG SOOK HWA IN THE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 8, the participation of Ms Ng Sook Hwa, an Associate of a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 12: PROPOSED PARTICIPATION BY MS NG SOOK JING IN THE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 8, the participation of Ms Ng Sook Jing, an Associate of a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 13: PROPOSED PARTICIPATION BY MS NG SUI HING IN THE PLAN

THAT subject to and contingent upon the passing of Ordinary Resolution 8, the participation of Ms Ng Sui Hing, an Associate of a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

By order of the Board

Dr Ng Chin Siau
Group Chief Executive Officer
29 October 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A Shareholder who is not a relevant intermediary as defined under Section 181(6) of the Companies Act, Cap. 50 (the “Act”) entitled to attend, speak and vote at the EGM may appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A Shareholder which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Shareholder.
- (2) A Shareholder who is a relevant intermediary as defined under Section 181(6) of the Act is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder.
- (3) Where a Shareholder appoints more than one (1) proxy, the proportion of his/her concerned shareholding to be represented by each proxy shall be specified in the proxy form.
- (4) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at office of the share registrar of the Company, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898, not later than forty-eight (48) hours before the time appointed for the holding of the EGM.
- (5) The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (6) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend, speak and vote at the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder’s breach of warranty.

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Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number: 200800507R)

(Incorporated in the Republic of Singapore)

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF/SRS monies to buy shares in the Company ("CPF/SRS Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 29 October 2018.

PROXY FORM

*I/We _____ (Name) of _____

_____ (Address)

being a *shareholder/shareholders of Q & M Dental Group (Singapore) Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them, the Chairman of the Extraordinary General Meeting (the "EGM") as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the EGM of the Company to be held at Vista 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on 13 November 2018 at 2 p.m. and at any adjournment or postponement thereof.

	Ordinary Resolutions	For	Against
1.	Proposed Adoption of the Q & M Employee Share Option Scheme 2018		
2.	Authority to Offer and Grant Option(s) at a Discount under the Option Scheme		
3.	Proposed Participation by Dr Ng Chin Siau in the Option Scheme		
4.	Proposed Participation by Ms Foo Siew Jiuan in the Option Scheme		
5.	Proposed Participation by Ms Ng Sook Hwa in the Option Scheme		
6.	Proposed Participation by Ms Ng Sook Jing in the Option Scheme		
7.	Proposed Participation by Ms Ng Sui Hing in the Option Scheme		
8.	Proposed Adoption of the Q & M Performance Share Plan 2018		
9.	Proposed Participation by Dr Ng Chin Siau in the Plan		
10.	Proposed Participation by Ms Foo Siew Jiuan in the Plan		
11.	Proposed Participation by Ms Ng Sook Hwa in the Plan		
12.	Proposed Participation by Ms Ng Sook Jing in the Plan		
13.	Proposed Participation by Ms Ng Sui Hing in the Plan		

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided above. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided above. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.)

Dated this day of _____ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



Notes:

1. Except for a Shareholder who is a relevant intermediary as defined under Section 181(6) of the Act, a Shareholder entitled to attend, speak and vote at the EGM may appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where a Shareholder appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a Shareholder who is a relevant intermediary as defined under Section 181(6) of the Act is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
3. A proxy need not be a Shareholder of the Company.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at office of the share registrar of the Company, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898, not less than forty-eight (48) hours before the time appointed for the holding of the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with the Constitution and Section 179 of the Act.
9. The submission of an instrument or form appointing a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. Investors who buy shares in the Company using CPF monies and/or SRS monies (as may be applicable) ("**CPF/SRS Investors**") may attend and cast their vote at the EGM in person. CPF/SRS Investors who are unable to attend the EGM but would like to vote, may inform CPF and/or SRS Approved Nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF/SRS Investor shall be precluded from attending the EGM.

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