

**SAUDEE GROUP BERHAD**  
(Company No. 838172-P)  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF ESOS COMMITTEE**

**DEFINITIONS AND INTERPRETATION**

In these Terms of Reference, where the context so admits the following expressions shall have the following meanings :-

Act	Companies Act, 2016, currently enforced and as amended from time to time and any re-enactment thereof
Board	The Board of Directors for the time being of Saudee Group Berhad
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
By-Law	The rules, terms and conditions of the Scheme as may be modified, varied and/or amended from time to time
Company Secretary	Company Secretary of SAUDEE
Eligible Person(s)	Executive Directors or employees of the Group who meet the eligibility criteria for participation in the Scheme in accordance with By-Laws
ESOS Committee	The committee appointed by the Board to administer the Scheme, comprising such persons appointed by the Board from time to time
ESOS Option(s) or Option(s)	The right of a Grantee to subscribe for new Saudee Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in the By-Laws
Grantee	Any Eligible Person who has accepted an Offer in the manner provided in By-Laws
Offer Period	The period stipulated in By-Law 6.4
SAUDEE or the Company	Saudee Group Berhad (838172-P)
Listing Requirement	The Main Market Listing Requirements of Bursa Securities including all amendments thereto and any practice Notes issued in relation thereto
SAUDEE Group or the Group	The Company and its subsidiary company(ies) as defined in the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 17

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**TERMS OF REFERENCE OF ESOS COMMITTEE (Cont'd)**

**1. OBJECTIVE**

- a) The primary objective of the Committee is to administer the implementation of the ESOS in accordance with objectives and rules as stated in the By-Law.
- b) The Committee shall carry out such duties that may be delegated by the Board.

**2. COMPOSITION OF THE COMMITTEE**

- a) The Committee shall compose at least one of Independent Non-Executive Directors.
- b) The composition of the Committee must not be less than three (3) Members. Where the Members for any reason are reduced to less than three (3), that Board shall within three (3) months of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.
- c) The Members shall elect a Chairman of the Committee from amongst themselves.
- d) All Members shall hold office only for so long as they serve as Directors or employees of the Company.
- e) The Board shall have power at any time and from time to time to rescind the appointment of any person in the Committee and appoint new members to the Committee as it shall deem fit.
- f) Alternate Director shall not be appointed as a member of the Committee and subject to any regulatory disqualification, members of the Committee shall not be removed except by the Board.

**3. SECRETARY OF THE COMMITTEE**

- a) The Company Secretary of the Company or any other person appointed by the ESOS Committee shall be the Secretary of the ESOS Committee.
- b) The Secretary shall:-
  - I. ensure all appointments to the Committee are properly made;
  - II. ensure that the Committee receives information and papers in timely manner to enable full and proper consideration to be given to issues;
  - III. prepare the minutes of the Committee meetings and record the conclusion of the Committee in discharging its duties and responsibilities;

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**TERMS OF REFERENCE OF ESOS COMMITTEE (Cont'd)**

**3. SECRETARY OF THE COMMITTEE (cont'd)**

- IV. ensure that the minutes of the Committee meeting are properly kept and produced for inspection, if any
- V. circulate the minutes of the Committee meetings promptly to all members of the Committee and to make the same available to Board members who are not member of the Committee; and

**4. MEETING**

- a) The Committee shall convene meetings as and when required.
- b) The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice.
- c) No business shall be transacted at any meeting of the Committee unless a quorum is present. Two (2) Members of the Committee shall constitute a quorum. Any decision arising at the meeting shall be decided by a majority of votes, each Member having one vote and a determination by a majority of Member shall for all purposes be deemed a determination of the Members. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- d) At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. In the absence of the Committee's Chairman, the Members present at the meeting shall elect a Chairman of the meeting.
- e) The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The agenda shall be sent to all Members of the Committee and any persons who may be required to attend the meeting.
- f) The Secretary shall prepare the Minutes of the meeting and distribute it to each Member. The Minutes of the Committee shall be confirmed and signed by the Chairman of the Committee or the presiding Chairman of the next succeeding meeting.
- g) The Minutes of the Committee meeting shall be maintained by the Secretary and to be made available for notation to the Board. The Minutes book shall be opened for the inspection of the Member of the Committee, Board, external auditor, internal auditor, management and other persons deemed appropriate by the Committee and/or Company Secretary.
- h) All recommendations and findings of the Committee shall be submitted to the Board for approval.

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**5. DUTIES, RESPONSIBILITIES AND FUNCTIONS OF THE COMMITTEES**

- a) The Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the ESOS in such manner as it deems fit. The decision of the Committee shall be final and binding.
- b) The Committee may, for the purpose of administering this ESOS, enter into any transactions, agreements, deeds, documents of arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESOS which the Committee may in its discretion consider to be necessary.
  - Subject to the provisions of the scheme, construe and interpret the Scheme and
  - Determine all questions of the policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- c) The Committee may at any time and from time to time to recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit and the Board shall have the power at any time and from time to time by resolution to add, amend, modify and/or delete all or any of the terms in the By-Law. The recommendation is subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and/or modification is made.
- d) To select and determine employees of the Group who shall be entitled to participate in the ESOS.
- e) To determine the basis of allocation and the number of shares to be offered and allotted to the Eligible Employees.
- f) To determine the terms and conditions of offer to Eligible Employees in accordance with the established criteria of allocation.
- g) To administer the Offer to Eligible Employees and the acceptance thereof.
- h) To determine the subscription price.
- i) To determine the limits on the exercise of Option, including the number of shares exercisable and the prescribed Option period and to impose any other terms and/or conditions it deems fit.
- j) To administer the exercise of Option and to ensure remittance for the full amount of subscription monies.

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**5. DUTIES, RESPONSIBILITIES AND FUNCTIONS OF THE COMMITTEES (cont'd)**

- k) To administer the exercise and/or termination of an Option in the event the employee ceases to be in the employment of the Company by reason of:-
- resignation;
  - retirement;
  - ill health, injury, physical or mental disability;
  - liquidation of the Company;
  - death; or
  - any other circumstances which are acceptable to the Committee.
- l) To exercise the rights of the Committee in suspending and/or reinstating the employee's Option in the event the employee is subject to disciplinary proceedings, and to impose such terms and conditions as the Committee shall deem appropriate having regard to the nature of the charges made or brought against the employee.
- m) No eligible employee, Grantee or legal representative shall bring any claim, action or proceeding against the Company, Board or Committee for compensation, loss or damages arising from the ESOS.
- n) To approve any adjustment or alteration to :
- The subscription price; and/or
  - The number of shares unexercised; and/or
  - The method of exercise of the Option arising from any change in the capital structure, as a result of restructuring, divestment from Takeover, Scheme of Arrangement, Amalgamation and/or Reconstruction of the Company.
- o) To carry out any duties deemed incidental or ancillary in relation thereto.

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**6. AUTHORITY**

- a) The Committee is authorised by the Board to review, recommend and approve any matters within its Terms of Reference. The Committee shall have:
- I. Full and unrestricted access to any information pertaining to the Company and the Group;
  - II. Full access to the advice and services of the Company Secretary;
  - III. Full access to independent professional advice and expertise necessary for the performance of its duties;
  - IV. Full and unrestricted access to any employee or member of the management; and
  - V. The resources, which are required to perform its duties.
- b) In discharging its duties, the Committee shall at all times be mindful of the provision of all applicable laws, regulations and guidelines.

**7. DISCLOSURE**

The Committee may assist the Board in making certain disclosures concerning the activities of the Committee such as in the Corporate Governance Statement in the Annual Report in accordance with Listing Requirements.

**8. REVISION OF THE TERMS OF REFERENCE**

- a) Any revision or amendment to the Terms of Reference, as proposed by the Committee shall be first be presented to the Board for its approval.
- b) Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.