

CAHYA MATA SARAWAK BERHAD

[Registration No. 197401003655 (21076-T)]

TERMS OF REFERENCE

OF

EMPLOYEES' SHARE OPTION SCHEME ("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 of Cahya Mata Sarawak Berhad ("CMSB")
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
By-Laws	:	The rules, terms and conditions of the ESOS as may be modified, varied and/or amended from time to time
Chairman	:	Chairman of the Committee
CMSB or the Company	:	Cahya Mata Sarawak Berhad (Registration No. 197401003655 (21067-T))
CMSB Group or Group	:	CMSB and its subsidiaries, collectively
CMSB Share(s) or Share	:	Ordinary shares of CMSB
Committee	:	ESOS Committee
Company Secretary	:	Company Secretary/Joint Company Secretaries of CMSB
Eligible Person(s)	:	An employee, executive Director of any company in the CMSB Group (excluding subsidiaries which are dormant), who meets the criteria of eligibility for participation in the Scheme in the manner provided in the By-Laws
ESOS or Scheme	:	Employee Share Options Scheme is a scheme for the grant of ESOS Options to Eligible Persons which will entitle them to subscribe for new CMSB Shares in accordance with the provisions of the By-Laws

ESOS Options or Options	:	The right of a Grantee which may be conditional or unconditional to subscribe for the new CMSB Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in the By-Laws and includes, where applicable, partially exercised ESOS Options
Grantee	:	An Eligible Person who has accepted an Offer in the manner provided in the By-Laws
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Offer	:	A written offer made by the Committee from time to time on an Eligible Person to participate in the Scheme in the manner provided in the By-Laws
Member	:	A member of the Committee as appointed pursuant to this Terms of Reference
Secretary	:	Secretary of the Committee
Terms of Reference	:	This terms of reference of the Committee

In this Terms of Reference, unless the context otherwise requires:

Words importing the masculine gender shall include the feminine, neuter genders and vice versa; and

Words importing the singular shall include the plural and vice versa.

1. OBJECTIVE OF THE COMMITTEE

- (a) The primary objective of the Committee is to administer the implementation of the ESOS in accordance with the By-Laws.
- (b) The Committee shall carry out such duties that may be delegated by the Board.

2. COMPOSITION OF THE COMMITTEE

The Committee shall comprise exclusively of Non-Executive Directors with a majority of them being Independent Non-Executive Directors. The definition of “Independent Director” is set out in paragraph 1.01 of the Listing Requirements.

- (a) 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), the Board shall within six (6) months of the reduction, appoint such number of new Members as may be required to make up the minimum composition of three (3) Members.
- (b) The Members shall elect a Chairman of the Committee (“**Chairman**”) from amongst themselves.
- (c) All Members shall hold office only for so long as they serve as directors of the Company.
- (d) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company.
- (e) The Board shall have power at any time and from time to time to rescind the appointment of any Member and appoint new Members as it shall deem fit.
- (f) Alternate directors shall not be entitled to be appointed as Members and subject to any regulatory disqualification, Members shall not be removed except by the Board.

3. SECRETARY OF THE COMMITTEE

- (a) The Company Secretary and/or his or her representative shall be the Secretary.
- (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;

- (iv) circulate the minutes of the Committee meetings (“**Minutes**”) promptly to all members of the Committee and to make the same available to the Board including directors of the Company who are not Members; and
- (v) ensure that the minutes of the Committee meeting are duly signed off and properly maintained and available for inspection, upon request.

4. PROCEEDINGS OF THE COMMITTEE

- (a) The Committee shall meet as and when required upon request by Members, provided that the Committee shall meet at least once a year.
- (b) The Chairman, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice. Notice of meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication media.
- (c) The Group Managing Director/Chief Executive Officer shall always be invited to attend meetings of the Committee.
- (d) The Committee may at their discretion and as the need arises, invite one or more persons of relevant expertise to attend the meeting.
- (e) No business shall be transacted at any meeting of the Committee unless a quorum is present. Two (2) Members shall constitute a quorum.
- (f) 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.
- (g) At all meetings of the Committee, the Chairman, if present, shall preside. In the absence of the Chairman, the Members present at the meeting shall elect a chairman from their number for the purposes of the meeting.
- (h) Attendance at a meeting may be by being present in person or by participating in the meeting by means of video or teleconference.
- (i) The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman. The agenda shall be sent to all Members and any persons who may be required to attend the meeting.
- (j) The Secretary shall prepare the Minutes and distribute it to each Member. The Minutes shall be confirmed and signed by the Chairman or the presiding chairman of the next succeeding meeting.
- (k) The Minutes 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 Board, external auditor, internal auditor, management and other persons deemed appropriate by the Committee and/or Company Secretary.

- (l) The Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting. Any resolution in writing, signed or approved by letter, telegram, telex, telefax or other electronic communication by majority Members (who may at the time be present in Malaysia) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members.
- (m) All recommendations and findings of the Committee shall be submitted to the Board for approval.

5. DUTIES, RESPONSIBILITIES AND FUNCTIONS OF THE COMMITTEES (THE LIST IS NOT EXHAUSTIVE)

- (a) Pursuant to By-Laws 16, the Committee shall, subject to the ESOS By-Laws, vest 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 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.
- (b) To select and determine eligible employees and subsidiary companies who shall be entitled to participate in the ESOS.
- (c) To determine the basis of allocation and the number of shares to be offered and allotted to the eligible employees.
- (d) To determine the terms and conditions of offer to eligible employees in accordance with the established criteria of allocation.
- (e) To administer the Offer to Eligible Persons and the acceptance thereof.
- (f) To determine the subscription price.
- (g) 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.
- (h) To administer the exercise of Option and to ensure remittance for the full amount of subscription monies.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) To carry out any duties deemed incidental or ancillary in relation thereto.
- (n) The Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility, for purposes of selecting an Eligible Person, at any time and from time to time, in the Committee's discretion.
- (o) The Committee shall also have the discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achieving a performance target.

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 Overview Statement in the Annual Report in accordance with the 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.

TOR approved by the Board on 30 October 2020.

*TOR approval:-
Reviewed 268th BOD 24 November 2021*