

**I-STONE GROUP BERHAD**  
(Company No. 1273151-K)

**EMPLOYEES' SHARE OPTION SCHEME COMMITTEE**

<b>TERMS OF REFERENCE</b>
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1) **PRIMARY PURPOSE**

The ESOS Committee is delegated by the Board of Directors with the duty to implement the ESOS and to ensure that the ESOS is properly administered in accordance with the ESOS By-Laws.

2) **MEMBERSHIP**

- 2.1 The Committee shall be appointed by the Board of Directors and shall consist of not less than three (3) members.
- 2.2 The majority of the members of the Committee shall be members of the Board of Directors with at least one (1) member of the Committee is Independent Director.
- 2.3 The members of the ESOS Committee shall elect a Chairman from amongst their number and the Chairman of the Committee shall be an Independent Director.
- 2.4 The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any member of the Committee.
- 2.5 If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3) **MEETINGS**

- 3.1 The Committee shall meet as and when the need arises. The quorum for a Committee meeting shall be at least two (2) members with the presence of at least one (1) member who is Independent Director.
- 3.2 Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Committee. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.
- 3.3 The Company Secretary shall be the Secretary to the Committee and he/she shall be entrusted to record all proceedings and minutes of the Committee meetings.
- 3.4 The members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

- 4.4 The Committee shall cause minutes to be made in the books to be provided for the purpose of all resolutions and proceedings of all meetings of the Committee.
- 3.5 Detailed minutes of the Committee's meeting will be made available to all Board members. A summary of significant matters and resolutions will be reported by the Committee at Board meetings.
- 3.6 A resolution in writing, signed by a majority of all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications. The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, prior to each meeting.

4) **AUTHORITY**

- 4.1 The Committee is authorized by the Board to act within its terms of reference, to obtain resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Committee to fulfil its objectives.
- 4.2 The Committee is authorised to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- 4.3 The Committee may for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may, in its discretion consider to be necessary or desirable for giving effect to the Scheme.

5) **DUTIES AND RESPONSIBILITIES**

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:

- 5.1 To implement and administer the Scheme in such manner as it shall in its discretion deem fit in accordance with the ESOS ByLaws, including to deal with the issue and allotment of new shares in the Company arising from the exercise of ESOS options by grantees.
- 5.2 To determine on the basis of allotment and to decide on the number of ESOS options to be offered to eligible participants and to make offers to eligible participants in accordance with the ESOS ByLaws.
- 5.3 To determine the terms and conditions of offer to eligible employees in accordance with the established criteria of allocation.
- 5.4 To determine and recommend the subscription price of the ESOS options to the Board, subject to the provisions of the ESOS ByLaws and applicable laws and regulations.

- 5.5 To administer the offer of ESOS options to eligible directors and employees and the acceptance thereof and the exercise of the ESOS options, subject to the provisions of the ESOS ByLaws.
- 5.6 To determine the limits on the exercise of ESOS options, including the number of shares exercisable and the prescribed vesting period and to impose any other terms and/or conditions it deems fit, subject to the provisions of the ESOS ByLaws
- 5.7 To recommend to the Board where it deems necessary, any amendment, modification, addition, or deletion of the ESOS ByLaws.
- 5.8 To enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate its power relating to the Scheme, subject to the provisions of the ESOS ByLaws.
- 5.9 To take all other actions within the purview of the Committee pursuant to the ESOS ByLaws, for the necessary and effective implementation and administration of the Scheme in accordance and compliance with the ESOS ByLaws.

6) **REPORTING RESPONSIBILITIES**

The Chairman of the Committee shall report to the Board on its proceedings after each meeting of the Committee.

The Committee shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is needed.

7) **MINUTES**

The minutes of meetings of the Committee shall be circulated to all members of the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

8) **REVISION OF THE TERMS OF REFERENCE**

The terms of reference should be assessed, reviewed and updated at least once every three years by the Committee or as and when there are changes to the ESOS ByLaws or relevant laws and regulations that may have an effect on the Committees' responsibilities.

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval. 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.

This Terms of Reference was reviewed and adopted by the Board on 24<sup>th</sup> November 2020.