



L&P Global Berhad

Registration No. 202101028085 (1428385-M)
(Incorporated in Malaysia)

TERMS OF REFERENCE

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Revision History

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000	Boardroom Corporate Services Sdn. Bhd.	Management	Board of Directors	19 December 2022
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1. Objectives

- 1.1 The Employees' Share Option Scheme Committee ("**ESOS Committee**" or "**Committee**") of L&P Global Berhad ("**L&P Global**" or "**the Company**") and its subsidiaries ("**the Group**") is formed by the Board of Directors ("**Board**") of the Company to assist the Board in administering the implementation of L&P Global Employees' Share Option Scheme ("**ESOS**") of up to 10% of the total number of issued shares (excluding treasury shares) for eligible directors and employees of L&P Global and its subsidiaries (excluding dormant subsidiaries) in accordance with the objectives and rules as stated in the By-Laws.

2. Membership

- 2.1 The ESOS Committee shall be appointed by the Board comprising not less than five (5) members.
- 2.2 The Chairman of the ESOS Committee shall be an Independent Non-Executive Director ("**INED**") of the Company.
- 2.3 No alternate Director shall be appointed as a member of the ESOS Committee.
- 2.4 In the event of any vacancy in the ESOS Committee, the Board shall, within three (3) months of the event, fill the vacancy.

3. Authority

- 3.1 The ESOS Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:
- (a) investigate any activity within the ESOS Committee's terms of reference;
 - (b) have resources which are reasonably required to enable it to perform its duties;
 - (c) have full and unrestricted access to any information pertaining to the Company or the Group;
 - (d) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
 - (e) make decisions on matters which fall within the purpose and responsibilities of the ESOS Committee;
 - (f) seek information and have unrestricted access to information pertaining to the Group and the Management, to fulfil its primary purpose and responsibilities; and
 - (g) appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the Board.

- 3.2 The Chairman of the ESOS Committee shall engage on a continuous basis with senior management, such as the Chairman of the Board, CEO and the CFO in order to be kept informed of matters affecting the Group.

4. **Duties & Functions**

- 4.1 The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board.
- 4.2 The ESOS Committee shall administer the ESOS in such manner as it shall in its discretion deem fit in accordance with the provisions of the By-Laws which include but not limited to the below:
- a) To determine the eligibility criteria and select the eligible person to participate in the ESOS;
 - b) To determine on the number of shares to be offered to the eligible persons, the subscription price for the shares and such other terms in relation to the offer;
 - c) To enter into any transactions, agreements, deeds, documents or arrangements, and making rules, regulations or impose terms and conditions or delegate part of its power relating to ESOS subject to provisions of the By-Laws;
 - d) To recommend to the Board any modification, variation and/or amendment of the By-Laws as it shall deems fit;
 - e) To recommend for the extension of ESOS period;
 - f) To make an award to employee or director of L&P Global satisfying the conditions and criteria of eligibility for participation in the ESOS as stipulated in the By-Law;
 - g) To administer the offer of share options and the acceptance thereof;
 - h) The ESOS Committee shall have the right at its discretion to serve a notice in writing to an eligible person who is being subjected to disciplinary proceedings to suspend the right to exercise any Unexercised Option pending the outcome of such disciplinary proceedings unless otherwise decided by the ESOS Committee. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the disciplinary actions made or brought against the eligible person.
 - i) To determine the exercise and/or termination of an option in the event the employee ceases employment with L&P Global by reason of:
 - Resignation;
 - Retirement;

- Serve of a notice of termination on or termination contract of service of employment of a Director (including removal) and/or an employee by reason of misconduct;
 - Bankruptcy
 - Dismissal of employment due to disciplinary action;
 - Redundancy or voluntary separation scheme; or
 - Any other conditions which are acceptable to the ESOS Committee.
- j) In the event of disputes, determine such dispute or difference by a written decision; and
- k) To take all other actions with the purview of the ESOS Committee pursuant to the By-Laws, for the necessary and effective implementation and administration of the ESOS.

Others

- (1) Recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities.
- (2) Undertake any other responsibilities, functions or assignments as may be defined by the Board from time to time.

5. Meeting procedures

- 5.1 The Company Secretary shall be the Secretary of the ESOS Committee and shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the ESOS Committee.
- 5.2 The Secretary shall organise and provide assistance at ESOS Committee meetings and have the following responsibilities:
- (a) ensure meetings are arranged and held accordingly.
 - (b) assist the Chairman of the ESOS Committee in planning the ESOS Committee's activities.
 - (c) ensure that the ESOS Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
 - (d) ensure structured communication channels between the Board and the ESOS Committee.
 - (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner and reviewed by the ESOS Committee before disseminating them to the Board.
 - (f) Ensure ESOS Committee recommendations presented to the Board are supported by papers (from the management if so applicable) that explain the rationale for the ESOS Committee's recommendations.

- 5.3 The ESOS Committee shall record its conclusion on issues discussed during meetings and report to the Board as and when necessary. The minutes shall be circulated to members of the Board and duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the ESOS Committee.
- 5.4 The quorum for a meeting of the ESOS Committee shall consist of two (2) members, one of whom must be a Non-Executive Director.
- 5.5 Other Board members, counsels, consultants and employees may attend any particular meeting only at the ESOS Committee's invitation, specific to the relevant meeting, as and when necessary.
- 5.6 The ESOS Committee will conduct all its meetings separately from Board meetings.
- 5.7 A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the ESOS Committee by giving the members not less than seven (7) days' notice thereof unless such requirement is waived.
- 5.8 Unless the meeting is called on a short notice basis, the Secretary, in collaboration with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least seven (7) days prior to each meeting to the members of the ESOS Committee.
- 5.9 In the absence of the Chairman, the ESOS Committee shall appoint one of its members present to chair that meeting and who shall be a Non-Executive Director.
- 5.10 In appropriate circumstances, the ESOS Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by a majority of members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the ESOS Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members and forwarded or otherwise delivered to and shall be recorded by the Company Secretary.
- 5.11 A resolution put to vote shall be decided by a majority of votes of the members present, each member having one vote. If the votes are equal, the Chairman of the meeting has a second casting vote. However, the Chairman will not have a second casting vote where only 2 Directors form the quorum or at which only 2 Directors are competent to vote on the question at issue.
- 5.12 A Committee member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

- 5.13 A member of ESOS Committee may participate in a meeting of the ESOS Committee by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 5.14 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholders' questions on the Committee's activities.

6. Reporting

- 6.1 The Chairman of the Committee shall, at the conclusion of each meeting, report to the Board on activities that it had undertaken and key recommendations for the Board's consideration and approval as well as follow-up status on any key recommendations.
- 6.2 Where the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), the Committee shall promptly report such matter to Bursa Securities.

7. Approval & Revision to the Terms of Reference

- 7.1 The terms of reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.
- 7.2 Upon the Board's approval, the said revision or amendment shall form part of this terms of reference and these terms of reference shall be considered duly revised or amended.
- 7.3 The terms of reference of the Committee must be made available on the Company's website.
- 7.4 The provisions under these terms of reference have been drafted in a manner to also incorporate the provisions under the MMLR and other statutes, regulations and guidelines applicable to the Committee, if any. In the event the applicable provisions of the MMLR and/or relevant governing statutes, regulations and guidelines relating to Committee are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and construed subject to and in accordance with the amended, modified or varied MMLR, statutes, regulations and guidelines.
- 7.5 These terms of reference are approved by the Board of L&P Global and adopted on 27 February 2024.