



BARAKAH OFFSHORE PETROLEUM BERHAD
Registration No.: 2012017022(980542-H)

EMPLOYEES' SHARE OPTION SCHEME (ESOS)
COMMITTEE TERMS OF REFERENCE

DOCUMENT NO: BOP/GEN/R/02-007

REVISION NO: 00

EFFECTIVE DATE: 23 Oct 2013

Table of Contents

	Table Description	Page No.
1.0	PURPOSE	3
2.0	COMPOSITION OF ESOS COMMITTEE	4
3.0	AUTHORITY	4
4.0	ROLES AND RESPONSIBILITIES OF COMMITTEE	4-5
5.0	QUORUM AND MEETINGS	5
6.0	PROCEDURES OF ESOS COMMITTEE	5-6
7.0	REVIEW OF TERMS OF REFERENCE	6

1. PURPOSE

The primary function of the Employees' Share Option Scheme ("ESOS") Committee is to assist the Board in fulfilling its overall responsibilities for Barakah Offshore Petroleum Berhad ("Barakah" or "Company") and its subsidiary companies (collectively refers to as the "Group") for its Employee's Share Option Scheme ("ESOS") (*Note: excluding associate companies*). Consistent with this function, the Committee should encourage continuous adherence and improvement to the Group's ESOS By-Laws.

The implementation of the Scheme primarily serves to align the interests of the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (a) to recognize the contributions of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (c) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of Barakah;
- (d) to retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and
- (e) to reward the Eligible Persons by allowing them to participate in the Barakah's profitability and to eventually realize any capital gains arising from appreciation in the value of Barakah shares.

The Scheme is also extended to the non-executive Directors of Barakah who are eligible for participation in the Scheme as set out in these By-Laws, as they discharge important functions and their services and contributions are valued by the Group.

1. COMPOSITION OF ESOS COMMITTEE

The following requirements are to be fulfilled by the Board in the appointment of the ESOS Committee from amongst its members:

- a. The ESOS Committee must be composed of no fewer than three (3) members, the majority of whom must be independent Non-Executive Directors, and
- b. The Chairman of the ESOS Committee shall be appointed by the Board from among the independent Non-Executive Directors.

The Board shall have power at any time and from time to time to rescind the appointment of any person in the ESOS Committee and appoint new members to the ESOS Committee as it shall deem fit.

Alternate Directors shall not be appointed as a members of the ESOS Committee and subject to any regulatory disqualification, members of the ESOS Committee shall not be removed except by the Board.

In the event of any vacancy in the ESOS Committee, the Board shall within three (3) months fill the same so as to comply with all regulatory requirements.

2. AUTHORITY

The ESOS Committee shall have the full authority to make decisions on matters that shall be final and binding which fall within the purpose and responsibilities of the ESOS Committee in accordance to the ESOS By-Laws.

3. ROLES AND RESPONSIBILITIES OF COMMITTEE

ESOS Committee shall administer this Scheme in accordance to the By-Laws. See Appendix I – By-Laws For The Employees' Share Option Scheme. Subject to these By-Laws, the ESOS Committee shall do all acts and things and enter into any transaction, agreement, deed, document or arrangement and to make such rules and regulations, impose such terms and conditions, appoint any adviser, agent, trustee or nominee to facilitate the implementation and operation of the Scheme, and/or delegate all or any part of its powers or duties relating to the Scheme which the ESOS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme. Unless otherwise expressly provided, where these By-Laws provide that any discretion is to be

exercised by the ESOS Committee, that discretion may be exercised by the ESOS Committee in its absolute discretion.

The role of the ESOS Committee shall also include verifying at the end of each financial year that the allocation of options under this scheme is in accordance with the By-Laws and with the allocation criteria determined by the ESOS Committee. A statement by the ESOS Committee verifying such allocation shall be included in the annual report.

4. QUORUM AND MEETINGS

The quorum for a meeting shall be any two (2) members of which the majority present must be independent directors.

The ESOS Committee shall meet at minimum once in a financial year or as frequent as the Chairman shall decide and it shall be able to convene meetings whenever deemed necessary to fulfill its responsibilities.

The ESOS Committee meeting shall be attended by its members and the Company Secretary. Other members of the Board, management, employees and representatives of the internal and external auditors shall attend the meeting only by invitation of the Committee.

5. PROCEDURES OF ESOS COMMITTEE

Notice of a meeting of the ESOS Committee shall be given in a timely manner to all members in writing via facsimile or email or by hand or by courier.

The Chairman of the ESOS Committee shall be the Chairman of the meeting. If at any meeting the Chairman is not present, the members present may choose one of their members who is an independent director to be the Chairman of the meeting.

A resolution put to vote shall be decided by a majority of votes of the members present and each member shall have one vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

The ESOS Committee may deal with matters by way of circular resolution, signed by majority of the Committee members in lieu of convening a formal meeting.

Minutes of each meeting shall be minuted by the Company Secretary and shall be distributed to each member of the ESOS Committee and tabled for notation at the Board of Directors' meeting. The Chairman of ESOS Committee shall as soon as practicable submit a report on each meeting to the Board of Directors. All minutes of meetings shall be made available for inspection by the members of ESOS Committee and the Board of Directors.

6. REVIEW OF TERMS OF REFERENCE

The ESOS Committee's Terms of Reference shall be reviewed by the Board annually or where necessary to ensure its relevance in assisting the Board to discharge its duties with the changes in the company laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.