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# **SUNWAY**

## **CONSTRUCTION**

**SUNWAY CONSTRUCTION GROUP BERHAD**  
[Registration No. 201401032422 (1108506-W)]

# **TERMS OF REFERENCE OF EMPLOYEES' SHARE OPTION SCHEME COMMITTEE**

COMMITTED TO  
**SUSTAINABLE  
DEVELOPMENT GOALS**



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*This Terms of Reference is approved by the Board of Directors on 23 December 2024.*

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The expressions used in these Terms of Reference, except where the context otherwise requires, shall have the same meaning in the By-Laws for the Employees' Share Option Scheme ("**ESOS**").

## 1. INTRODUCTION

The ESOS Committee is established by the Board to oversee the implementation and administration of the ESOS. The ESOS permits the allocation of up to 5% of the total number of the issued ordinary shares of Sunway Construction Group Berhad ("**SunCon**" or the "**Company**") (excluding treasury shares, if any) to eligible executive directors and employees of the Group in accordance with the By-Laws.

The name of the ESOS is referred to as the "**Sunway Construction Group Berhad Employees' Share Option Scheme**".

## 2. COMPOSITION

- 2.1 The ESOS Committee shall be appointed by the Board and shall consist of a minimum of three (3) non-executive directors, one (1) executive director and one (1) senior management officer.
- 2.2 The members of the Committee shall elect a chairman from one (1) of the non-executive directors. The Chairman of the ESOS Committee shall be the Chairman of the meeting. In the absence of the Chairman of the ESOS meeting, the remaining members present shall elect one of the non-executive directors as Chairman of the meeting.
- 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 Committee resulting in the number of members being reduced to below five (5) members, the Board shall, within three (3) months fill the vacancy.
- 2.5 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person(s) in the ESOS Committee as it shall deem fit or assume and/or exercise and execute any powers and authorities conferred upon the ESOS Committee pursuant to the By-Laws.

## 3. FUNCTIONS

- 3.1 Pursuant to By-Law 23.1, the ESOS Committee shall, subject to the By-Laws, administer the ESOS in such matter as it shall deem fit and with such powers and duties are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.
- 3.2 The Committee may, for the purpose of administering the ESOS, do all acts and things, execute all documents and delegate any of its powers and duties relating to the ESOS as it may at its sole discretion to be necessary or desirable for giving effect to the ESOS including the powers to:

- (a) subject to the provisions of the ESOS, construe and interpret the ESOS and ESOS Awards granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration. The Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the ESOS or in any agreement providing for an ESOS Award in any manner and to the extent it shall deem necessary to expedite and make the ESOS fully effective.
- (b) determine all questions of policy and expediency that may arise in the administration of the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

#### 4. POWERS AND AUTHORITIES

4.1 Pursuant to By-Law 5, the Committee has the discretion:

- (a) to determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws at any time and from time to time;
- (b) to select any Eligible Person(s) to participate in the ESOS whose decision shall be final and binding;
- (c) to decide the participation of an Eligible Person who holds more than one (1) position within the Group in the applicable category; and
- (d) to select and identify suitable Eligible Persons to be offered ESOS Award. In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation of his/ her own allocation.

4.2 (a) Pursuant to By-Law 6.1, the ESOS Committee has the discretion to offer such number of options to eligible employees in accordance with the ESOS after taking into consideration, inter alia, the designation, length of service, work performance, and/or such other criteria/ factors as the Committee deems relevant.

- (b) Pursuant to By-Law 6.2, the ESOS Committee shall set out the basis of allotment, identify the category or grade of the Eligible Person(s) and the Maximum Allowable Allotment for the Eligible Person(s) in the differing categories or grades. The ESOS Committee or the Board may at its discretion introduce additional category or grades of employees as it deems necessary during the duration of the ESOS
- (c) Pursuant to By-Law 6.3, the ESOS Committee has the sole discretion to determine whether to stagger the granting of ESOS Award to the Eligible Persons over the duration of the ESOS or in a single grant, whether there is any vesting period, and if so, whether to impose any Vesting Conditions under the ESOS and whether such Vesting Conditions are subject to financial and performance rating and if so, to determine the Vesting

Conditions for the ESOS Award and whether any Vesting Conditions have been fulfilled and satisfied. If applicable, where the ESOS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESOS Committee shall notify the ESOS Participant the number of ESOS Award vested or which will be vested on him/her on the vesting date.

- 4.3 Pursuant to By-Law 7.1, during the duration of the ESOS, the ESOS Committee may, at its sole discretion, at any time and from time to time make an ESOS Award by issuing an ESOS Offer Letter to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allotment. Each ESOS Option shall be in a multiple of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESOS Committee. The ESOS Options shall only be accepted in multiples of one hundred (100) Shares or such other units of Shares constituting one board lot as may be determined by the ESOS Committee.
- 4.4 Pursuant to By-Law 9.2, the Committee may with its power under By-Law 23, at any time and from time to time, before and after the ESOS Options are granted, limit the exercise of the ESOS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the ESOS Options during such periods within the ESOS Award Period and impose other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion.
- 4.5 Pursuant to By-Law 11.1 stipulates the vesting of any ESOS Award may be subject to the fulfilment by any company within the Group and/or Eligible Person/ESOS Participant (as the case may be) of the relevant performance ratings within the performance period and/or such other conditions, as may be determined by the ESOS Committee.
- 4.6 Pursuant to By-Law 12, the ESOS Awards will vest in such manner as the ESOS Committee may in its discretion determine, as set out in the ESOS Award(s) provided that the Vesting Conditions as set out in the ESOS Award(s), are fully and duly satisfied and met on the ESOS Option Vesting Date and as may be determined by the ESOS Committee and, unless the ESOS Committee decides otherwise in its sole discretion:
- (a) the ESOS Participant must remain in employment with the Group as at the relevant Vesting Date and shall not have given or served a notice of resignation or received a notice of termination as at each of the Vesting Date save and except as may be provided under these By-Laws;
  - (b) where applicable, the ESOS Participant must fulfil the financial and performance ratings within the performance period as determined by the ESOS Committee;
  - (c) the ESOS Participant is not an undischarged bankrupt as at the relevant Vesting Date under the laws to which he is subject to and shall not have received any notice that a bankruptcy proceeding is being instituted/threatened to be instructed against him/her as at such Vesting Date; and

- (d) the ESOS Participant must fulfil any other Vesting Conditions as may be set by the ESOS Committee (if any) at any time and from time to time.

The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been fully and duly satisfied. If applicable, where the ESOS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESOS Committee shall notify the ESOS Participant the number of ESOS Awards vested or which will be vested on him/her on the Vesting Date.

- 4.7 Pursuant to By-Law 16, the ESOS Committee is entitled to prescribe and impose any conditions to the ESOS Award, any condition in relation to any retention period or restriction on transfer as it sees fit.
- 4.8 Pursuant to By-Law 18.1, in the event of take-overs and merges, schemes of arrangement, amalgamations and reconstructions, the ESOS Committee may at its discretion to the extent permitted by law allow the exercise of any Unexercised ESOS Options or Unvested ESOS Options by the ESOS Participant or the ESOS Participant's Representatives as the case may be, at any time subject to such terms and conditions as may be prescribed.
- 4.9 Pursuant to By-Law 19.1, if an ESOS Participant is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, then the ESOS Committee may permit the vesting of any Unvested ESOS Options or the exercise of Unexercised ESOS Options (or any part thereof) in the ESOS Participant at any time subject to such terms and conditions as may be prescribed, notwithstanding that a relevant Vesting Date is not due or has not occurred and/or other terms and conditions of the ESOS Award have not been fulfilled or satisfied.
- 4.10 (a) Pursuant to By-Law 24.1, in the event of an Eligible Person and/or ESOS Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), after an ESOS Award is made but before the acceptance thereof by such Eligible Person, the ESOS Award is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Eligible Person. Nothing in these By-Laws shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh ESOS Award to such Eligible Persons in the event that such disciplinary proceedings are not decided against him or if such disciplinary actions are withdrawn provided that such ESOS Award is made within the duration of the ESOS.
- (b) Pursuant to By-Law 24.2, in the event an Eligible Person and/or ESOS Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the right of the ESOS Participant to have vested any Unvested ESOS Options or to exercise any Unexercised ESOS Option shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it seems appropriate having regard to the nature of the disciplinary actions made or brought against the ESOS

Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh ESOS Award and/or reinstating the right of the ESOS Participant to exercise any Unexercised ESOS Options in the event that such disciplinary proceedings are not decided against him or if such disciplinary actions are withdrawn provided that such ESOS Award and/or reinstatement is made within the duration of the ESOS. If the ESOS Committee does not reinstate such right of the ESOS Participant prior to the expiry of the duration of the ESOS, the ESOS Award and acceptance thereof shall automatically lapse and shall immediately become null and void.

- (c) Notwithstanding By-Law 24.2, in the event an ESOS Participant has been given a letter in relation to the ESOS Participant being subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the ESOS Committee has the right to recall any Unexercised ESOS Options.
- 4.11 By-Law 25.1 stipulates that, subject to By-Law 25.2, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to add, to amend, modify or delete all or any of terms in the By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that the amendment or modification is in compliance with the provisions of the Listing Requirements pertaining to the ESOS and the Rules of Bursa Depository.
- 4.12 Subject to By-Law 25.3, the approval of the shareholders of the Company in a general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws (including any additions, modifications or amendments to or deletions of these By-Laws for purpose of complying with the Listing Requirements and the Act) unless such additions, modifications or amendments to or deletions of these By-Laws will:
- (a) prejudice any rights which would have accrued to any ESOS Participants without the prior consent or sanction of that ESOS Participants;
  - (b) increase the number of Shares available under the ESOS beyond the maximum imposed by By-Law 4.1;
  - (c) prejudice any rights of the shareholders of the Company without prior approval of the Company's shareholders in a general meeting; or
  - (d) alter any rights to the advantage of the Eligible Person(s) in respect of any matters which are required to be contained in the By-Laws without the prior approval of the Company's shareholders in a general meeting unless allowed by the provisions of the Listing Requirements.
- 4.13 (a) Pursuant to By-Law 27.1, if in consequence of an error or omission, the ESOS Committee discovers/ determines that an Eligible Person who was selected by the ESOS Committee as an ESOS Participant has not been given the opportunity to participate in the ESOS on any occasion or the number of Shares allotted and issued and/ or transferred to any ESOS

Participant on any occasion is found to be incorrect, and such error or omission cannot be corrected, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Persons are given the opportunity to participate in the ESOS and/or the aggregate number of Shares to which the ESOS Participant is correctly entitled to is credited into his/ her CDS Account.

- (b) Pursuant to By-Law 27.2, in the event of any error in the ESOS Award, the ESOS Committee may issue a supplemental ESOS Award stating the correct particulars of the ESOS Award.

## **5. MEETINGS**

- 5.1 Meetings of the Committee may be called at any time by the Chairman of the ESOS Committee.
- 5.2 The quorum for the meeting shall be two (2) members, who must be Non-Executive Directors.
- 5.3 A meeting of the Committee shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the ESOS Committee.

## **6. REPORTING**

The Chairman of the ESOS Committee shall report the proceedings of each ESOS Committee's meeting to the Board and update the Board on significant issues and concerns discussed if so required, and where appropriate, make necessary recommendations to the Board.

## **7. SECRETARY**

- 7.1 The secretary to the ESOS Committee shall be the Company Secretary.
- 7.2 The Secretary to the ESOS Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 7.3 The Secretary of the ESOS Committee shall be entrusted to record all proceedings and minutes of all meetings of the ESOS Committee.



## **8. RESOLUTION IN WRITING**

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by a majority of the members, of which at least two (2) must be Non-Executive Directors sufficient to form a quorum, shall be deemed valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

## **9. REVIEW**

The ESOS Committee shall review and update the terms of reference periodically taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the ESOS Committee's duties and responsibilities. Any amendments herein must be approved by the Board.