



# **NWP HOLDINGS BERHAD**

*(Company No. 495476-M)*

**SHARE ISSUANCE SCHEME (SIS)**

**OPTION COMMITTEE**

**TERMS OF REFERENCE**

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## **SHARE ISSUANCE SCHEME (SIS) OPTION COMMITTEE TERMS OF REFERENCE**

### **1. Objective**

1.1. To administer the SIS in accordance with the By-Laws.

### **2. Composition of members**

2.1. The SIS Option Committee (SOC) shall have at least two (2) members. The quorum for the Committee shall be two (2) members.

2.2. The appointment of SOC member terminates when the member ceases to be a director, or as determined by the Board.

### **3. Authority**

3.1. SOC is authorized by the Board to perform the activities required to discharge its responsibilities within its terms of reference and make relevant recommendations to the Board.

3.2. The SOC shall have unlimited access to all information and documents relevant to its activities, to both the Internal and External Auditors, Company Secretary as well as all employees of the Company.

### **4. Duties and Responsibilities**

4.1. To develop and maintain the Company's policies and implementation guidelines in relation to the granting of SIS Options in light of the Company's overall remuneration philosophy in accordance with the By-Laws.

4.2. To approve and determine the manner in which SIS Options are granted to and subsequently exercised by Eligible Employees in accordance with the provisions of the By-Laws, inter alia, the determination of eligibility, grant level, terms of acceptance of Offer, terms of exercise of the Options, performance conditions and any other terms and other conditions imposed, at the discretion of the SOC provided always that no member of SOC shall participate in any deliberation or decision in respect of options to be granted to himself/herself.

4.3. To recommend grants of SIS Options to the Executive Directors for the approval of the Board and the Company's members in a general meeting.

4.4. To determine the price at which the Grantee is entitled to subscribe for shares under a SIS Option in accordance with the By-Laws.

4.5. To extend, at the SOC's discretion, the SIS Option period of any SIS Option which would have otherwise lapsed and become null and void in accordance with the provisions of the By-Laws.

- 4.6. To determine whether or not to suspend (and if so, to later decide to lift such suspension of) the rights in respect of any SIS Option of a Grantee in the event of the commencement of Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service) against such Grantee or determine any reduction in the number of shares comprised in the SIS Options held by that Grantee which are unexercised at the time or determine whether or not the Grantee may continue to exercise his/her SIS Options and to impose any limits, terms and conditions as it deems appropriate in respect of such exercise.
- 4.7. In the event of an alteration in the capital structure of the Company in the manner as prescribed in the By-Laws, to make any alterations to the number of shares comprised in a SIS Option, so far as they are unexercised, the SIS Option Price and/or manner of the exercise of the SIS Options.
- 4.8. To determine, in the event of the cessation of the employment of a Grantee if cessation occurs by reason of the events set out in the By-Laws or in the event of the death of any Grantee before any expiry of the SIS Option period, any acceleration of the exercise of SIS Options, as yet unexercised and the times and period at or within which such accelerated SIS Options may be exercised (provided that no SIS Option shall be exercised after the expiry of the SIS Option period).
- 4.9. To approve and prescribe the letter of offer, form of acceptance of offer and notice of exercise of SIS Options for the Company's and /or Eligible Employees' use (where applicable) in accordance with the terms of the By-Laws.
- 4.10. To approve the vesting of SIS Options granted based on the performance management system ratings ("PMS Ratings") of Eligible Employees, which are determined through the Company's annual performance appraisal process and approved by the Board.
- 4.11. To determine and approve the vesting of SIS Options where the Eligible Employees are not subject to PMS Ratings.
- 4.12. To perform such other duties and functions as may be requested by the Board.

## **5. Secretary**

- 5.1. The Secretary to the SOC shall be the Company Secretary of the Company.
- 5.2. The Secretary is responsible to prepare the minutes of the SOC meetings and circulate the minutes of the SOC meetings promptly to all members of the SOC and table the same to the Board for notation.

## **6. Meetings**

- 6.1. The SOC shall meet at least once a year and as frequently as may be required.
- 6.2. The Secretary shall on the requisition of the members of the SOC summon a meeting of the SOC except in the case of an emergency, reasonable notice of every SOC meeting shall be given in writing.

**7. Circular Resolution**

7.1. A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay 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 or more directors.

**8. Amendments, Variation or Modification**

8.1. The Terms of Reference of the SOC shall be reviewed on annual basis and may be amended, varied and modified in writing as and when necessary subject to the Board's approval.