



A-RANK BERHAD

(Company No. 633621-X)
(Incorporated in Malaysia)

**TERM OF REFERENCE –
EMPLOYEES' SHARE OPTION
SCHEME COMMITTEE
("ESOS COMMITTEE")**

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

The expressions used in these Terms of Reference, except where the context otherwise requires, shall have the same meaning in the By-Laws for A-Rank Berhad Employees' Share Option Scheme.

1. MEMBERSHIP

The members of the ESOS Committee shall be appointed by the Board of the Company and shall consist of not less than three (3) members.

If a member of the ESOS Committee 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.

The members of the ESOS Committee shall elect a Chairman from among their members. The Chairman of the ESOS Committee shall be the Chairman of the meeting. In the absence of the Chairman of the ESOS Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

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 Committee as it shall deem fit.

2. DUTIES & RESPONSIBILITIES

Pursuant to the By-Laws, the ESOS Committee shall administer the Employees' Share Option Scheme ("ESOS") in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it by the Board including the powers to:

- determine the eligibility of the person for participation in the ESOS;
- decide on the number of shares to be offered to eligible persons, the subscription price for the shares and such other terms in relation to the offer;
- enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESOS subject to the provisions of the By-Laws; and
- take all other actions within the purview of the ESOS Committee pursuant to the By-Laws, for the necessary and effective implementation and administration of the ESOS.

3. MEETING, MINUTES AND PROCEDURE

Meetings are to be held as and when necessary, and at least once a year. The quorum for each meeting shall be two (2) members. Meetings of the ESOS Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

The Company Secretary of the Company shall act as Secretary of the ESOS Committee and in conjunction with the Chairman, shall draw up the agenda which shall be sent to all members of the ESOS Committee and any other persons who may be required/invited to attend.

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The ESOS Committee decides its own procedures and other administrative arrangements. The Chairman of the ESOS Committee reports to the Board after each ESOS Committee meeting. Minutes of each meeting are kept by the Company Secretary as evidence that the ESOS Committee has discharged its functions.

A resolution in writing signed by a majority of the ESOS Committee members for the time being entitled to receive notice of meeting of the ESOS Committee, shall be as valid and effectual as if it had been passed at a meeting of the ESOS Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more ESOS Committee members. Any such document may be accepted as sufficiently signed by a ESOS Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a ESOS Committee member.

4. REPORTING

The Chairman of the ESOS Committee shall report the proceedings of each ESOS Committee meeting to the Board.

5. SECRETARY

The Company Secretary of the Company or any other person appointed by the ESOS Committee shall be the Secretary of the ESOS Committee.

- a) ensure all appointments to the ESOS Committee are properly made;
- b) ensure that the ESOS Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues;
- c) prepare the minutes of the ESOS Committee meetings and record the conclusions of the ESOS Committee in discharging its duties and responsibilities;
- d) circulate the minutes of the ESOS Committee meetings promptly to all members of the ESOS Committee and make the same available to Board members who are not members of the ESOS Committee; and
- e) ensure that the minutes of the ESOS Committee meetings are properly kept and produced for inspection, if required.

6. REVIEW

This Term of Reference is approved and adopted by the Board and the ESOS Committee of A-Rank Berhad on 21 August 2018. The ESOS Committee will review the Term of Reference periodically, and discuss any changes that may be required and recommended any such changes to the Board for consideration and approval.