MUHIBBAH ENGINEERING (M) BHD
Company No. 197201001137 (12737-K)
(Incorporated in Malaysia)

OPTION COMMITTEE
TERMS OF REFERENCE

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 Share Issuance Scheme ("SIS" or "Scheme").

1. MEMBERSHIP

1.1 The Option Committee ("Committee") shall be appointed by the Board and shall be composed of not fewer than three (3) in number. It shall consist only of Executive Directors of the Group.

1.2 The Group Managing Director shall be the Chairman of the Committee. In the absence of the Group Managing Director, the Group Deputy Chief Executive Officer or Executive Director shall be the Chairman of the Committee.

1.3 The members of the Committee shall be as follows:-

DESIGNATION
Group Managing Director
Deputy Chief Executive Officer/ Executive Director
Executive Director
Group Finance Director

1.4 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months from the date of the vacancy, fill the vacancy.

1.5 The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

2. FUNCTION

Pursuant to By-Law 5, the Committee shall administer the Scheme 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:-

2.1 determine the basis of allocation of SIS Options to all Eligible Persons provided that all restrictions with regard to allocation of SIS Options to directors of the Company and senior management of the Group as set out in the By-Laws are adhered to.

2.2 make the Offer to Eligible Persons upon such terms and conditions as it deems fit in accordance with the provisions of the By-Laws and with the power to vary, amend, waive or modify any of the terms and conditions of offer at any time and from time to time as it deems necessary and appropriate.

2.3 accept or reject any application for the exercise of SIS Options as it deems fit in accordance with the provisions of the By-Laws.

2.4 carry out such other functions with regard to the SIS as may be agreed upon from time to time with the Board.

3. POWERS AND AUTHORITY

3.1 Pursuant to By-Law 4 and By-Law 5, the Committee has the discretion to:

3.1.1 decide on any other eligibility criteria for purposes of selecting an Eligible Person from time to time;
3.1.2 select any Eligible Person to participate in the Scheme whose decision shall be binding and final;
3.1.3 approve the participation of an Eligible Person in more than one share option scheme implemented by any company within the Group;
3.1.4 decide whether an employee of the Group who during the Duration of the Schedule becomes an Eligible Person is eligible to participate in the Scheme.

3.2 Pursuant to By-Law 5.1, the Committee has the discretion to offer such number of SIS Options to Eligible Persons in accordance with the Scheme after taking into consideration, inter alia, the eligible employees' positions within the Group, fulfilment of the eligibility criteria stated in By-Law 4, including the performance targets, appraisals and future contributions of the Eligible Persons and/or such other factors as the Committee deems fit.

3.3 Pursuant to By-Law 9.6, the Committee shall have the right at its discretion to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or may be found to have had no basis or justification) to exercise his Option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Committee may impose such terms and conditions as the Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the charges made or brought against such Grantee.

3.4 By-Law 18 stipulates that subject to the compliance of the Listing Requirements, the Committee may at any time and from time to time recommend to the Board any additions, amendment to and/ or modification of any of the provisions of the By-Laws as it shall in its discretion deems fit. The Board shall have the power by resolution to add, amend and/or modify any of the provisions of the By-Laws upon such recommendation.

3.5 By-Law 18 provides that the approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of the By-Laws provided that no addition, amendment or deletion shall be made to the By-Laws (including matters specified in the Listing Requirements to be contained in the By-Laws or such other matters as may be determined by Bursa Securities from time to time), which would render the rights of any Grantee or group of Grantees more favourable.

3.6 Such other authority in accordance with the By-Laws is conferred upon the Committee by the Board from time to time.

4. MEETINGS

a. Meetings of the Committee may be called at any time by the Chairman of the Committee.
b. The quorum for the meeting shall be three (3) members.
c. Where necessary and appropriate, any decision of the Committee can be made by a majority of the members via a Circular Resolution.

5. REPORTING

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