

ANNEXURE C

PROPOSED AMENDMENTS IN RELATION TO SHARE SCHEME FOR EMPLOYEES
UNDER PART 3 OF THE CONSULTATION PAPER

Main Market Listing Requirements

Proposal 3.1

Definition of “Employee Share Scheme”, “Share Issuance Scheme” and “Share Grant Scheme”

1.01 Definitions

~~share scheme for employees—Employee Share Scheme~~ means collectively a ~~Share Issuance Scheme involving a new issue of shares to employees and a Share Grant Scheme.~~
Share Issuance Scheme

Share Issuance Scheme means a scheme involving a new issuance of shares to employees.

Share Grant Scheme means a scheme involving the grant of a listed issuer’s existing shares to employees.

[All existing references to a “share scheme for employees” in the Main Market Listing Requirements will be amended accordingly.]

Proposal 3.2

Removing the 50% restriction on number of shares that may be allocated to directors and senior management

6.37 Eligibility and allocation

- (1) Subject to the provisions set out in subparagraphs (2) and (3) below and paragraph 6.44, the board of directors of the listed issuer may determine the eligibility and allocation criteria under a ~~share scheme for employees~~Share Issuance Scheme.
- (2) The listed issuer must ensure that participation in the scheme is restricted to directors and employees of the listed issuer's group.
- (3) The listed issuer must also ensure that -
 - (a) ~~the aggregate allocation to directors and senior management does not exceed 50% of the total number of shares to be issued under the scheme; and [Deleted]~~
 - (b) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up

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capital (excluding treasury shares) of the listed issuer, does not exceed 10% of the total number of shares to be issued under the scheme.

PART G – SHARE ~~SCHEMES FOR EMPLOYEES~~ ISSUANCE SCHEMES

8.16A Allocation of options or shares to be approved by non-executive directors

A listed issuer must ensure that an allocation of options or shares to its directors and senior management pursuant to a Share Issuance Scheme is approved mainly by non-executive directors. A director must not participate in the deliberation or discussion of his own allocation.

APPENDIX 9C

Part A

Contents of annual report

(paragraphs 9.25 and 9.41)

- (26) A statement by the audit committee in relation to the allocation of options or shares pursuant to a ~~share scheme for employees~~ Share Issuance Scheme as required under paragraph 8.17.

(26A) The names of the directors who approved the allocation of options or shares to directors and senior management pursuant to a Share Issuance Scheme.

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities

(paragraphs 6.08(1) and 6.53(1))

- (28) In the case of a ~~s~~Share Issuance ~~s~~Scheme ~~for employees~~ -
- (a) the information set out in Appendix 6E;
 - (b) where applicable, the rationale for extending participation in the ~~share~~ scheme to non-executive directors;
 - (c) the performance targets, if any, that must be achieved before the options can be exercised or shares can be vested, if none, a negative statement to that effect; ~~and~~
 - (d) the potential cost to the listed issuer arising from the grant of options or shares under the ~~share~~ scheme ~~for employees~~;
 - (e) the aggregate maximum allocation to directors and senior management in percentage under the scheme;

Proposal 3.3

Allowing implementation of more than 1 Share Issuance Scheme subject to the 15% limit

8.19 Implementation of a new ~~share scheme for employees~~ Share Issuance Scheme

A listed issuer ~~that has implemented a share scheme for employees, must not~~ may implement ~~a new scheme unless the existing scheme has expired or been terminated in accordance with paragraph 8.18.~~ more than one Share Issuance Scheme provided that the aggregate number of shares available under all the Share Issuance Scheme does not breach the limit contained in paragraph 6.38.

APPENDIX 6A

Part A

Contents of announcement in relation to a new issue of securities

(paragraphs 6.07, 6.32, 6.48 and 6.52)

(18) In the case of a ~~share scheme for employees~~ Share Issuance Scheme, the duration of the scheme, basis of determining the exercise price and eligibility.

(18A) where the listed issuer intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Scheme:

(a) the number of schemes currently in existence;

(b) the following information in relation to options or shares granted to directors under all the existing schemes:

(i) aggregate options or shares granted since commencement of the scheme;

(ii) aggregate options exercised or shares vested since commencement of the scheme; and

(iii) aggregate options or shares outstanding; and

(c) for each existing scheme –

(i) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and

(ii) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them.

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities

(paragraphs 6.08(1) and 6.53(1))

(28) In the case of a ~~share scheme for employees~~ Share Issuance Scheme -

(f) where the listed issuer intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Scheme:

(i) the number of schemes currently in existence;

(ii) the following information in relation to options or shares granted to directors under all the existing schemes:

(aa) aggregate options or shares granted since commencement of the scheme;

(bb) aggregate options exercised or shares vested since commencement of the scheme; and

(cc) aggregate options or shares outstanding; and

(iii) for each existing scheme -

(aa) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and

(bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;

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Part A

Contents of annual report

(paragraphs 9.25 and 9.41)

(27) The following information in relation to an Employee Share Scheme:

(a) the number of schemes currently in existence during the financial year, and brief details of each scheme including -

(i) total number of options or shares granted;

(ii) total number of options exercised or shares vested; and

(iii) total options or shares outstanding;

(b) in regard to options or shares granted to the directors and chief executive;

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- (i) aggregate options or shares granted;
- (ii) aggregate options exercised or shares vested; and
- (iii) aggregate options or shares outstanding.
- (c) in regard to options or shares granted to the directors and senior management –
- (i) aggregate maximum allocation applicable to directors and senior management in percentage; and
- (ii) the actual percentage granted to them.
- during the financial year and since commencement of the scheme respectively; and
- (d) A breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) ~~by~~ non-executive directors pursuant to an ~~share scheme for employees~~ Employee Share Scheme in respect of the financial year in tabular form as follows:

Name of director	Amount of options/ <u>shares granted</u>	Amount of options exercised/ <u>shares vested</u>
1.		
2.		
3.		
Total		

Proposal 3.4

Removing requirement for shareholder and option holder approval requirement in relation to the termination of a Share Issuance Scheme

8.18 Termination of a ~~share scheme for employees~~ Share Issuance Scheme

- (1) A listed issuer may not terminate a ~~share scheme for employees~~ Share Issuance Scheme before expiry unless -
- (a) the bylaws of the scheme contain a provision empowering the listed issuer to do so;
- (b) ~~the listed issuer obtains the prior approval of its shareholders; and~~ [Deleted]
- (c) ~~the listed issuer obtains written consent of all option holders who have yet to exercise their options, whether partly or wholly.~~ [Deleted]
- (2) ~~A listed issuer must include the information set out in Appendix 8B in the circular sent to shareholders to obtain the approval of the shareholders in respect of the termination of a share scheme for employees.~~ [Deleted]

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- (3) ~~The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 8B.~~[\[Deleted\]](#)
- (4) ~~In seeking the consent of the option holders, the listed issuer must provide them with the information set out in Appendix 8B.~~[\[Deleted\]](#)
- (5) [A listed issuer who terminates a Share Issuance Scheme before its expiry must immediately announce to the Exchange -](#)
- (a) [the effective date of termination;](#)
 - (b) [the number of options exercised or shares vested; and](#)
 - (c) [the reasons for termination.](#)

APPENDIX 8B

Contents of circular to shareholders to terminate a share scheme for employees
(paragraph 8.18)

- (1) ~~A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular.~~
- (2) ~~The rationale for termination of the scheme.~~
- (3) ~~A statement by the board of directors stating whether the termination is in the best interests of the listed issuer, and where a director disagrees with such statement, a statement by such director setting out the reasons and factors taken into consideration in forming that opinion.~~
- (4) ~~Any other information that would justify the termination of the scheme.~~[\[Deleted\]](#)

Proposal 3.5

Other enhanced disclosure requirements in relation to a Share Issuance Scheme

Proposal 3.5(a) Contents of circular in relation to a new Share Issuance Scheme

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities
(paragraphs 6.08(1) and 6.53(1))

- (28) In the case of a ~~share scheme for employees~~ [Share Issuance Scheme](#) -

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- (g) where the directors of the listed issuers have a direct or indirect interest in the scheme, the details of the said interest;
- (h) whether the allocation available will be staggered over the duration of the scheme, and -
 - (i) if yes, the maximum allocation available for each financial year during the duration of the scheme;
 - (ii) if no, the reasons why not; and
- (i) whether there is any vesting period for the options or shares granted under the scheme.

Proposal 3.5(b) Contents of announcement when granting options/shares under a Share Issuance Scheme

9.19 Immediate announcements to the Exchange

A listed issuer must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive –

- (49) any grant of options or shares under a Share Issuance Scheme. The listed issuer must announce the following on the date of the offer:
 - (a) date of grant;
 - (b) exercise price of options granted, if applicable;
 - (c) number of options or shares granted;
 - (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director, if any; and
 - (f) vesting period of the options or grant.

Proposal 3.6

Disclosure in relation to a scheme involving the grant of a listed issuer's existing shares to its employees ("Share Grant Scheme")

9.19 Immediate announcements to the Exchange

A listed issuer must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive -

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(27A) any decision to implement a Share Grant Scheme. An announcement to the Exchange on the decision to implement such a scheme must include the information required of a Share Issuance Scheme in Appendix 6A, where applicable and with the necessary modifications;

(27B) any decision to terminate a Share Grant Scheme before its expiry. An announcement to the Exchange on the termination of such a scheme must include the following information:

(a) the effective date of termination;

(b) the number of shares vested under the scheme; and

(c) the reasons for termination;

APPENDIX 9C

Part A

Contents of annual report

(paragraphs 9.25 and 9.41)

(27) *[The proposed amendments are same as those set out in Proposal 3.3 above]*

ACE Market Listing Requirements

Proposal 3.1

Definition of “Employee Share Scheme”, “Share Issuance Scheme” and “Share Grant Scheme”

1.01 Definitions

~~share scheme for employees~~ means collectively a sShare Issuance sScheme ~~involving a new issue of shares to employees and a Share Grant Scheme.~~
Employee Share Scheme

Share Issuance Scheme means a scheme involving a new issuance of shares to employees.

Share Grant Scheme means a scheme involving the grant of a listed corporation’s existing shares to employees.

[All existing references to a “share scheme for employees” in the ACE Market Listing Requirements will be amended accordingly.]

Proposal 3.2

Removing the 50% restriction on number of shares that may be allocated to directors and senior management

6.38 Eligibility and allocation

- (1) Subject to the provisions set out in sub-Rules (2) and (3) below and Rule 6.45, the board of directors of the listed corporation may determine the eligibility and allocation criteria under a ~~share scheme for employees~~Share Issuance Scheme.
- (2) The listed corporation must ensure that participation in the scheme is restricted to directors and employees of the listed corporation’s group.
- (3) The listed corporation must also ensure that -
 - (a) ~~the aggregate allocation to directors and senior management does not exceed 50% of the total number of shares to be issued under the scheme; and~~[Deleted]
 - (b) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up capital (excluding treasury shares) of the listed corporation, does not exceed 10% of the total number of shares to be issued under the scheme.

PART G – SHARE ~~SCHEMES FOR EMPLOYEES~~ ISSUANCE SCHEMES

8.18A Allocation of options or shares grant to be approved by non-executive directors

A listed corporation must ensure that an allocation of options or shares to its directors and senior management pursuant to a Share Issuance Scheme is approved mainly by non-executive directors. A director must not participate in the deliberation or discussion of his own allocation.

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Contents of annual report

(Rule 9.25)

(27) A statement by the audit committee in relation to allocation of options pursuant to a ~~share-scheme for employees~~ Share Issuance Scheme as required under Rule 8.19.

(27A) The names of the directors who approved the allocation of options or shares to directors and senior management pursuant to a Share Issuance Scheme.

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities

(Rules 6.09(1) and 6.54(1))

(29) In the case of a ~~s~~Share Issuance ~~s~~Scheme ~~for employees~~ -

- (a) the information set out in Appendix 6E;
- (b) where applicable, the rationale for extending participation in the ~~share~~-scheme to non-executive directors;
- (c) the performance targets, if any, that must be achieved before the options can be exercised or shares can be vested, if none, a negative statement to that effect; ~~and~~
- (d) the potential cost to the listed corporation arising from the grant of options or shares under the ~~share-scheme for employees~~;
- (e) the aggregate maximum allocation to directors and senior management in percentage under the scheme;

Proposal 3.3

Allowing implementation of more than 1 Share Issuance Scheme subject to the 15% limit

8.21 Implementation of a new ~~share scheme for employees~~ Share Issuance Scheme

A listed corporation ~~that has implemented a share scheme for employees, must not~~ may implement ~~a new scheme unless the existing scheme has expired or been terminated in accordance with Rule 8.20~~ more than one Share Issuance Scheme provided that the aggregate number of shares available under all the Share Issuance Scheme does not breach the limit contained in Rule 6.39.

APPENDIX 6A

Part A

Contents of announcement in relation to a new issue of securities

(Rules 6.08(1), 6.33(2), 6.49 and 6.53)

(18) In the case of a ~~share scheme for employees~~ Share Issuance Scheme, the duration of the scheme, basis of determining the exercise price and eligibility.

(18A) where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Scheme:

(a) the number of schemes currently in existence;

(b) the following information in relation to options or shares granted to directors under all the existing schemes:

(i) aggregate options or shares granted since commencement of the scheme;

(ii) aggregate options exercised or shares vested since commencement of the scheme; and

(iii) aggregate options or shares outstanding; and

(c) for each existing scheme –

(i) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and

(ii) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them.

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities

(Rules 6.09(1) and 6.54(1))

- (29) In the case of a ~~share scheme for employees~~ Share Issuance Scheme -
- (f) where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Scheme:
- (i) number of schemes currently in existence;
- (ii) the following information in relation to options or shares granted to directors under all the existing schemes:
- (aa) aggregate options or shares granted since commencement of the scheme;
- (bb) aggregate options exercised or shares vested since commencement of the scheme; and
- (cc) aggregate options or shares outstanding; and
- (iii) for each existing scheme -
- (aa) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and
- (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;

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Contents of annual report

(Rule 9.25)

- (28) The following information in relation to an Employee Share Scheme:
- (a) the number of schemes currently in existence during the financial year, and brief details of each scheme including -
- (i) total number of options or shares granted;
- (ii) total number of options exercised or shares vested; and
- (iii) total options or shares outstanding;
- (b) in regard to options or shares granted to the directors and chief executive:
- (i) aggregate options or shares granted;
- (ii) aggregate options exercised or shares vested; and

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(iii) aggregate options or shares outstanding,

(c) in regard to options or shares granted to the directors and senior management –

(i) aggregate maximum allocation applicable to directors and senior management in percentage; and

(ii) actual percentage granted to them,

during the financial year and since commencement of the scheme respectively; and

(d) Aa breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) by non-executive directors pursuant to an ~~share scheme for employees~~ Employee Share Scheme in respect of the financial year in tabular form as follows:

Name of director	Amount of options/ <u>granted</u> offered	Amount of options exercised/ <u>shares vested</u>
1.		
2.		
3.		
Total		

Proposal 3.4

Removing requirement for shareholder and option holder approval requirement in relation to the termination of a Share Issuance Scheme

8.20 Termination of a ~~share scheme for employees~~ Share Issuance Scheme

- (1) A listed corporation may not terminate a share scheme for employees before expiry unless -
 - (a) the bylaws of the scheme contain a provision empowering the listed corporation to do so;
 - (b) ~~the listed corporation obtains the prior approval of its shareholders; and~~ [Deleted]
 - (c) ~~the listed corporation obtains written consent of all option holders who have yet to exercise their options, whether partly or wholly.~~ [Deleted]
- (2) ~~A listed corporation must include the information set out in Appendix 8B in the circular sent to shareholders to obtain the approval of the shareholders in respect of the termination of a share scheme for employees.~~ [Deleted]
- (3) ~~The circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 8B.~~ [Deleted]
- (4) ~~In seeking the consent of the option holders, the listed corporation must provide them with the information set out in Appendix 8B.~~ [Deleted]

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- (5) A listed corporation who terminates a Share Issuance Scheme before its expiry must immediately announce to the Exchange -
- (a) the effective date of termination;
 - (b) the number of options exercised or shares vested; and
 - (c) the reasons for termination.

APPENDIX 8B

Contents of circular to shareholders to terminate a share scheme for employees

(Rule 8.20)

- ~~(1) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.~~
- ~~(2) The rationale for termination of the scheme.~~
- ~~(3) A statement by the board of directors stating whether the termination is in the best interests of the listed corporation, and where a director disagrees with such statement, a statement by such director setting out the reasons and factors taken into consideration in forming that opinion.~~
- ~~(4) Any other information that would justify the termination of the scheme. [\[Deleted\]](#)~~

Proposal 3.5

Other enhanced disclosure requirements in relation to a Share Issuance Scheme

Proposal 3.5(a) Contents of circular in relation to a new Share Issuance Scheme

APPENDIX 6B

Part A

Contents of circular in relation to a new issue of securities

(Rules 6.09(1) and 6.54(1))

- (29) In the case of a ~~share scheme for employees~~ Share Issuance Scheme -
- (g) where the directors of the listed corporations have a direct or indirect interest in the scheme, the details of the said interest;
 - (h) whether the allocation available will be staggered over the duration of the scheme, and -

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(i) if yes, the maximum allocation available for each financial year during the duration of the scheme;

(ii) if no, the reasons why not; and

(i) whether there is any vesting period for the options or shares granted under the scheme.

Proposal 3.5(b) Contents of announcement when granting options/shares under a Share Issuance Scheme

9.19 Immediate announcements to the Exchange

A listed corporation must immediately announce to the Exchange the ~~following~~-events set out below. This requirement is in addition to the other announcements which are imposed under this Chapter and other parts of these Requirements and are not exhaustive:

(49) any grant of options or shares under a Share Issuance Scheme. The listed corporation must announce the following on the date of the offer:

(a) date of grant;

(b) exercise price of options granted, if applicable;

(c) number of options or shares granted;

(d) market price of its securities on the date of grant;

(e) number of options or shares granted to each director, if any; and

(f) vesting period of the options or grant.

Proposal 3.6

Disclosure in relation to a scheme involving the grant of a listed issuer's existing shares to its employees ("Share Grant Scheme")

9.19 Immediate announcements to the Exchange

A listed corporation must immediately announce to the Exchange the ~~following~~-events set out below. This requirement is in addition to the other announcements which are imposed under this Chapter and other parts of these Requirements and are not exhaustive:

(27A) any decision to implement a Share Grant Scheme. An announcement to the Exchange on the decision to implement such a scheme must include the information required of a Share Issuance Scheme in Appendix 6A, where applicable and with the necessary modifications;

(27B) any decision to terminate a Share Grant Scheme before its expiry. An announcement to the Exchange on the termination of such a scheme must include the following information:

(a) the effective date of termination;

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(b) the number of shares vested under the scheme; and

(c) the reasons for termination;

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Contents of annual report

(Rule 9.25)

(28) *[The proposed amendments are same as those set out in Proposal 3.3 above]*

[End of Annexure]