

**SHARE OPTION SCHEME**

**of**

**VITASOY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**Adopted by resolution passed at an Annual General Meeting  
of the Company held on 30<sup>th</sup> August, 2022**

## Table of Contents

1	DEFINITIONS .....	1
2	CONDITIONS .....	5
3	PURPOSE .....	6
4	COMMENCEMENT, DURATION AND ADMINISTRATION .....	6
5	PARTICIPANTS AND BASIS FOR DETERMINING ELIGIBILITY OF PARTICIPANTS .....	7
6	MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION .....	7
7	GRANT OF OPTIONS .....	10
8	SUBSCRIPTION PRICE .....	13
9	EXERCISE OF OPTIONS .....	13
10	EARLY TERMINATION OF OPTION PERIOD .....	21
11	REORGANISATION OF CAPITAL STRUCTURE .....	23
12	CANCELLATION OF OPTIONS .....	24
13	SHARE CAPITAL .....	25
14	ALTERATION OF THIS SCHEME .....	25
15	TERMINATION .....	26
16	CLAW-BACK .....	26
17	MISCELLANEOUS .....	27
	APPENDIX 1 OPERATION OF CLAW-BACK .....	31

# 1 DEFINITIONS

1.1 In this Scheme, the following expressions shall have the following meanings:

<b>“Adoption Date”</b>	means the date on which this Scheme was adopted by a resolution of Shareholders in a general meeting of the Company;
<b>“Anniversary”</b>	means the date that falls 12 calendar months from the date in question;
<b>“Associate”</b>	has the same meaning as defined in the Listing Rules;
<b>“Auditors”</b>	means the auditors for the time being of the Company;
<b>“Board”</b>	means the board of Directors of the Company or a committee thereof duly formed to administer matters in relation to this Scheme;
<b>“Business Day”</b>	means any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
<b>“chief executive”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Claw-back”</b>	means a recovery of value by the Company from a Grantee or his Personal Representative(s) in accordance with the provisions of Rule 16 ( <i>Claw-back</i> ) and Appendix 1 ( <i>Operation of Claw-back</i> );
<b>“Close Associate”</b>	has the same meaning as defined in the Listing Rules;
<b>“Companies Ordinance”</b>	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time);
<b>“Company”</b>	means Vitasoy International Holdings Limited (維他奶國際集團有限公司), the securities of which are listed on the Stock Exchange;
<b>“Connected Person”</b>	has the same meaning as defined in the Listing Rules;
<b>“Core Connected Person”</b>	has the same meaning as defined in the Listing Rules;
<b>“Custodian”</b>	means the custodian(s) to be appointed to hold, transfer and/or otherwise deal with the Shares for and on behalf of, and pursuant to the instruction of, the relevant Grantees upon exercise of the Options;
<b>“CWUMPO”</b>	means the Companies (Winding Up and Miscellaneous

Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);

- “Date of Grant”** means the date (which must be a Business Day) on which the Board resolves by holding a Board meeting or passing a written resolution to grant an Option to an Eligible Participant under this Scheme;
- “Director(s)”** means the director(s) of the Company for the time being;
- “Disability”** means, in relation to an Eligible Participant, where the Eligible Participant is unable to perform his/her employment as set out in his/her employment contract by reason of any medically determinable physical or mental impairment which has lasted, or can be expected to last, for a continuous period of not less than 12 months, in each case as evidenced to the satisfaction of the Company;
- “Eligible Participant”** means any person who satisfies the eligibility criteria in Rule 5.1;
- “Exercise Date”** has the meaning given in Rule 9.7;
- “Fair Market Value”** on a given date, means:
- (i) if the Shares are listed on the Stock Exchange, the official closing price of a Share reported in the daily quotation sheet of the Stock Exchange on such date or, if there is no such price on that date, then on the last preceding date on which such a price was reported;
  - (ii) if the Shares are not listed on any securities exchange but are quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price of a Share reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or
  - (iii) if the Shares are not listed on a securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Board to be the fair market value of a Share on such date based upon a good faith attempt to value the Shares accurately and computed in accordance with the International Financial Reporting Standards

as applicable from time to time;

<b>“Grantee”</b>	means any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in Rule 9.6.1) his Personal Representative(s);
<b>“Group”</b>	means the Company and the Subsidiaries;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency for the time being of Hong Kong;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“in writing”</b>	shall include, without limitation, letter, email, online communication and such other electronic and non-electronic communication as the Company may from time to time determine, in its absolute discretion, to be acceptable as a form of communication in terms of this Scheme;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time;
<b>“Offer”</b>	means an offer for the grant of an Option made in accordance with Rule 7.6;
<b>“Offer Date”</b>	means the date on which an Offer is made to an Eligible Participant;
<b>“Option”</b>	means an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
<b>“Option Period”</b>	means in respect of any particular Option, the period within which the Shares must be taken up as determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant;
<b>“Performance Metrics”</b>	means the metrics determined by the Board from time to time (which may include metrics relating to the performance of individual Eligible Participants, the Company, the Group, any company within the Group and/or any division, department and/or unit) as determined, amended or altered by the Board from time to time and notified to Eligible Participants by the Company;

<b>“Personal Representative(s)”</b>	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
<b>“Rules”</b>	means the Rules of this Scheme;
<b>“Scheme”</b>	means this share option scheme in its present form or as amended in accordance from time to time in accordance with Rule 14;
<b>“Shareholders”</b>	means the holders of Shares;
<b>“Shares”</b>	means ordinary shares of the Company;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited or such other stock exchange which is the principal stock exchange (as determined by the Board) on which the Shares are for the time being listed or traded;
<b>“Subscription Price”</b>	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to Rule 8, subject to any adjustments made pursuant to Rule 11;
<b>“Subsidiary”</b>	means a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere, and <b>“Subsidiaries”</b> shall be construed accordingly;
<b>“Substantial Shareholders”</b>	has the same meaning as defined in the Listing Rules;
<b>“Supplementary Guidance”</b>	means the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Exchange relating to share option schemes;
<b>“Tax Liability”</b>	means any tax and/or pensions and social security contributions of whatsoever nature (including, without limitation, income tax, indirect tax and surtax, stamp and other duties, or any similar taxes or imposts);
<b>“Termination Date”</b>	means the tenth Anniversary of the Adoption Date; and
<b>“%”</b>	means per cent.

1.2 In the Rules of this Scheme, unless the context requires otherwise:

1.2.1 paragraph headings are for ease of reference only and shall be ignored in construing these Rules or the Scheme;

1.2.2 references to a Rule shall be a reference to one of these Rules and references to a paragraph or paragraphs are references to paragraph or paragraphs hereof;

1.2.3 words importing the singular include the plural and vice versa;

1.2.4 words importing one gender include both genders and the neuter and vice versa;

1.2.5 references to persons include bodies corporate and unincorporated;

1.2.6 references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted and shall include any subordinate legislation made under the relevant statute; and

1.2.7 references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## **2 CONDITIONS**

2.1 This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders resolving to approve and adopt this Scheme at a general meeting of the Company and to authorise the Board to grant Options under this Scheme and to allot and issue Shares pursuant to the exercise of any Options.

2.2 The grant of Options under this Scheme is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under this Scheme.

2.3 Reference in Rule 2.2 to the Stock Exchange granting the approval and permission shall include any such approval and permission which are granted subject to such conditions as the Stock Exchange may impose.

- 2.4 A certificate signed by any Director or the secretary of the Company certifying that the conditions set out in Rules 2.1 and 2.2 have been fulfilled or satisfied and the date on which such conditions were fulfilled or satisfied or that such conditions have not been fulfilled or satisfied as of any particular date and the exact date of the “**Adoption Date**” shall be conclusive evidence of the matters so certified.

### **3 PURPOSE**

The purposes of the Scheme are to attract and retain management and key employees, to align Eligible Participants’ interests with the long-term success of the Company, to provide fair and competitive compensation to management and key employees and to drive the achievement of strategic objectives of the Company.

The Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

- 3.1 motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group; and
- 3.2 attracting and retaining or otherwise maintaining an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

### **4 COMMENCEMENT, DURATION AND ADMINISTRATION**

- 4.1 Subject to the satisfaction of all the conditions in Rule 2.1, the Scheme shall be deemed to commence on the Adoption Date and shall continue in force until the Termination Date.
- 4.2 This Scheme shall be subject to the administration of the Board, or, where the Board has delegated the power to make the relevant decision, by the relevant person(s) to which or whom such power is delegated, whose decision on all matters arising in relation to this Scheme or the interpretation of its Rules or its effect shall (save as otherwise provided herein) be final and binding on all persons who may be affected thereby. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Options under this Scheme, and the number of Shares and Subscription Price, subject to Rule 8; (c) subject to Rules 11 and 14, make such adjustments to the terms of the Options granted under the Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other



decisions or determinations as it deems appropriate in relation to the Offers and/or the administration of the Scheme provided that the same are not inconsistent with the provisions of this Scheme, the Listing Rules and other applicable laws and regulations.

4.3 Subject to Rules 2 and 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Options may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

4.4 In relation to the administration of the Scheme, no member of the Board or employee of the Company shall be personally liable by reason of any contract or other instrument executed by such person(s) or on his behalf in his capacity as a member of the Board or employee of the Company nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each person to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out or omission to act in connection with this Scheme unless arising out of such person's own gross negligence, fraud or bad faith.

## **5 PARTICIPANTS AND BASIS FOR DETERMINING ELIGIBILITY OF PARTICIPANTS**

5.1 The Board may at its discretion grant Options to any Director, executive or employee of the Company or its Subsidiaries.

5.2 Any person or company whom or which the Board has resolved is qualified to be an Eligible Participant must remain eligible during the period when any Option granted to him or it remains outstanding.

5.3 In the event that the Board has resolved that a Grantee fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding Option or part thereof granted to such Grantee to the extent not already exercised.

## **6 MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

6.1 The overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under this Scheme and any other

share option schemes and share awards to be granted under any other share award schemes for the time being of the Company shall not, in aggregate, exceed such number of Shares as equals 30% of the Shares in issue from time to time, subject to the conditions set out below. No Option may be granted under the Scheme or any other share option scheme or share awards to be granted under any other share award schemes of the Company if it will result in the above-mentioned 30% limit being exceeded. Within the above-mentioned limit:

- 6.1.1 The total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option scheme and share awards to be granted under any other share award schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of this Scheme by the Shareholders (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to Rules 6.1.2 or 6.1.3. Options or awards lapsed in accordance with the terms of this Scheme or any other share option scheme or any other share award schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- 6.1.2 The Scheme Mandate Limit referred to under Rule 6.1.1 may be refreshed after three years from the Adoption Date (or from the date of Shareholders’ approval for the last refreshment) subject to prior Shareholders’ approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option schemes and share awards to be granted under any other share award schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Additional refreshment within any three year period must be approved by independent Shareholders, where any Controlling Shareholder or their Associates (or if there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective Associates) must abstain from voting in favour of such resolution in such general meeting. Options or awards previously granted under this Scheme or any other share option schemes or any other share award schemes of the Company (including those outstanding, cancelled, lapse in accordance with the terms of exercised options) will not be counted for the purpose of the calculating the limit as refreshed.

- 6.1.3 Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Eligible Participants if (a) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company before such Shareholders' approval is sought; and (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.
- 6.2 No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all Options or vested and to be vested under other share award schemes already granted or to be granted to such Eligible Participant (including exercised, cancelled and outstanding options and/or awards) in the 12-month period up to and including the date of such new grant exceeding 1% of the Shares in issue as at the date of such new grant. Any grant of further Options above this limit shall be subject to the following requirements:
- 6.2.1 approval of the Shareholders at a general meeting, with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a Connected Person) abstaining from voting;
  - 6.2.2 a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time required by the Listing Rules;
  - 6.2.3 the number and terms of the Options to be granted to such proposed Grantee shall be fixed before the approval of the Shareholders as mentioned in Rule 6.2.1; and
  - 6.2.4 for the purpose of calculating the Subscription Price for the Shares in respect of the further Options proposed to be granted as described in Rule 8, the date on which the Board resolves by holding a Board meeting or passing a written resolution for proposing such grant of further Options shall be taken as the Date of Grant as described in that Rule.
- 6.3 The maximum number of Shares referred to in Rule 6 shall be adjusted, in such manner as the Auditors or an independent financial adviser appointed by the Company shall certify as fair and reasonable in accordance with Rule 11.

## 7 GRANT OF OPTIONS

7.1 Subject to Rule 7.2, the Board shall, in accordance with the provisions of this Scheme, be entitled but shall not be bound to, at any time within 10 years after the Adoption Date, make an Offer to such Eligible Participants as it may in its absolute discretion select, and no person other than the Eligible Participants named in such Offer (including his Personal Representative(s)) may subscribe, during the Option Period, for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board shall determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; (ii) Performance Metrics (if any) that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

7.2 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules, the Company's own code for securities transactions by directors or by any other applicable rules, regulations or law. In particular, no Offer shall be made by the Board in the following circumstances:

7.2.1 after inside information has come to its knowledge until (and including) the trading day after such information has been announced pursuant to the requirements of the Listing Rules; and

7.2.2 during the period of one month immediately before the earlier of:

- (a) the date of the Board meeting (or such date as is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement. No Option may be granted during any period of delay in publishing a results announcement.

7.3 Any grant of Options to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective Associates, under this Scheme must be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Options).

7.4 Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

7.4.1 representing in aggregate over 0.1% of the Shares in issue, and

7.4.2 having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

then such further grant must be subject to the approval by Shareholders at a general meeting taken on a poll. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Options) on whether or not to vote in favour of the proposed grant.

7.5 The requirements for the grant of Options to a Director or chief executive of the Company set out in Rules 7.3 and 7.4 shall not apply where the Eligible Participant is only a proposed director or chief executive of the Company.

7.6 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his Personal Representative(s)) for a period of 28 days inclusive of, and from the Offer Date (or such longer or shorter period as the Board may specify) provided that no such Offer shall be open for acceptance after expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Eligible Participant for whom the Offer is made has ceased to be an Eligible Participant.

7.7 An Offer shall state the following:

- 7.7.1 the name, address and position of the Eligible Participant;
- 7.7.2 the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
- 7.7.3 the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;
- 7.7.4 the last date by which the Offer must be accepted;
- 7.7.5 the procedures for acceptance;
- 7.7.6 such other terms and conditions of the Offer as may be imposed by the Board as are consistent with this Scheme; and
- 7.7.7 a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme.

7.8 An Offer shall be deemed to have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant (save in the case of Rule 7.9 when acceptance of a lesser number of Shares is clearly stated in the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer) when the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer duly given and/or signed by the Eligible Participant is received by or on behalf of the Company electronically or at the principal place of business of the Company in Hong Kong (as applicable) on or before the last day by which the Offer must be accepted.

7.9 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer duly given and/or signed by such Eligible Participant. To the extent that the Offer is not accepted within 28 days or any such shorter or longer period as the Board may specify, from the date on which the letter or the form of electronic communication (as applicable) containing the Offer is delivered to that Eligible Participant in the manner indicated in Rule 7.8, it shall be deemed to have been irrevocably declined.

7.10 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with Rules 7.8 or 7.9, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Date of Grant. To the extent that the Offer is not accepted in the manner indicated in Rules 7.8 or 7.9, it will be deemed to have been irrevocably declined. If the Eligible Participant ceases to be eligible before the Offer is deemed to have been accepted, the Offer shall lapse and cease to be capable of acceptance.

7.11 No Offer shall be made which is capable of or open for acceptance such that an Option will be granted after the Termination Date.

## **8 SUBSCRIPTION PRICE**

8.1 Subject to adjustments made in a situation contemplated under Rule 11 below, the Subscription Price in respect of any Option shall be at the discretion of the Board, provided that it must be not less than the higher of:

8.1.1 the closing price of a Share as shown in the daily quotations sheet of the Stock Exchange on the Date of Grant (which must be a Business Day) in respect of such Option; and

8.1.2 the average of the closing prices of the Shares as shown in the daily quotations sheet of the Stock Exchange for the five Business Days immediately preceding the relevant Date of Grant in respect of such Option.

8.2 For the purpose of calculating the Subscription Price for the Shares in respect of any Options proposed to be granted, the date on which the Board resolves by holding a Board meeting or passing a written resolution for proposing such grant of Options shall be taken as the Date of Grant.

## **9 EXERCISE OF OPTIONS**

9.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee without compensation to the extent not already exercised without incurring any liability on the part of the Company.

- 9.2 An Option may be exercised in accordance with the terms of this Scheme at any time during an Option Period to be notified by the Board to each Grantee (subject to Rule 9.6), within which the Shares must be taken up. The Option Period will be determined by the Board in its absolute discretion, provided that no Option may be exercised later than ten years from the Date of Grant. Any Option not exercised within the Option Period shall lapse and determine.
- 9.3 Unless otherwise prescribed in the Listing Rules, there is no minimum period for which an Option must be held before such an Option can be exercised under the terms of this Scheme. Where the Listing Rules do prescribe for a minimum period for which an Option must be held before such an Option can be exercised, to the extent permitted by and in accordance with the procedures set out in the Listing Rules (where applicable), the Board and/or the Company may, at its absolute discretion, determine that a shorter vesting period shall apply than the prescribed minimum period.
- 9.4 For avoidance of doubt, for Options with specified Performance Metrics which must be satisfied or achieved before the Options can be exercised, such Options shall only be exercisable upon the Board certifying that the relevant Performance Metrics have been achieved or satisfied and all other condition(s) have been achieved or satisfied.
- 9.5 Subject to Rule 17.8, an Option shall be exercisable in whole or in part by a Grantee giving notice in writing (in a form prescribed by the Board) to the secretary of the Company at the principal place of business of the Company in Hong Kong or to the Custodian stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be provided together with (a) a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given (the “**Exercise Monies**”); or (b) a written and/or electronic instruction to the Custodian to sell all or part of the Shares in respect of which the notice is given and deduct an amount representing the Exercise Monies from the sale proceeds (the “**Sale Proceeds**”) and transfer such amount to the Company as soon as practicable. Within 28 days after receipt of the notice (and, where appropriate, receipt of the certificate of the Auditors or the independent financial adviser to the Company pursuant to Rule 11), the Company shall accordingly allot the relevant number of Shares to the Custodian (as trustee for and on behalf of the relevant Grantee) (or, in the event of an exercise of Option by a Personal Representative pursuant to Rule 9.6.1, to the estate of the Grantee) fully paid and issue to the Custodian (as trustee for and on



behalf of the relevant Grantee) (or the estate of the Grantee in the event of an exercise by his Personal Representative as aforesaid) a share certificate or certificates in respect thereof. In the event the amount of the Sale Proceeds is less than the amount of the Exercise Monies, the relevant Grantee(s) shall remit the shortfall to the Company immediately upon demand.

9.6 Subject as hereinafter provided and/or any restrictions applicable under the Listing Rules, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that (and subject to any other terms and conditions specified in the relevant Offer)

9.6.1 in the event of the Grantee ceasing to be an Eligible Participant by reason of his death (as evidenced by the production to the Company of a death certificate) before exercising his Option in full and none of the events for termination of employment under Rule 10.1.4 then exists with respect to such Grantee, his Personal Representative(s) may exercise such Option up to the Grantee's entitlement as at the date of death (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of Rule 9.5 within a period of 12 months from the date of his death and any Option not so exercised shall lapse and determine without compensation at the expiry of such period, provided that where any of the events set out in Rules 9.6.7, 9.6.8 and 9.6.9 occurs prior to his death or within such period of 6 months following his death, then his Personal Representative(s) may so exercise the Option only within such of the various periods respectively set out in such Rules. If within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in Rule 10.1.4 which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's Personal Representative(s) and/or to the extent the Option has been exercised in whole or in part by his Personal Representative(s), but Shares have not been allotted as at the date of his death, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

9.6.2 except for Directors' retirement by rotation as required under the Articles of Association of the Company and/or the Listing Rules, in the event of the

Grantee who is a director or an employee of the Group ceasing to be such a director or employee by reason of his retirement in accordance with his/her contract of employment or at the relevant retirement age and subject to such other conditions and requirements (applicable to the Grantee) as set out in the Company's long-term incentive internal document(s) as drafted and amended by the Company from time to time (or, in the absence of such document, as determined by the Company from time to time), then the Grantee may exercise his Option (to the extent vested and not already exercised on the date of the retirement (the "**Retirement Date**") or on the Extended Retirement Date (as defined below) if the Grantee is re-employed by the Group on (or prior to) the Retirement Date) in whole or in part at any time within a period of 6 months (the "**Extended Period**") commencing on the Retirement Date and any Option not so exercised before the expiry of the Extended Period shall lapse and determine without compensation at the end of such period, provided that if the Grantee is re-employed by the Group on (or prior to) the Retirement Date, the Extended Period will commence from the date of retirement of his re-employment instead (the "**Extended Retirement Date**"). This process shall apply mutatis mutandis if the Grantee is re-employed by the Group on (or prior to) any Extended Retirement Date. For the avoidance of doubt, if the Grantee is re-employed by the Group on (or prior to) the Retirement Date or Extended Retirement Date (as applicable), he does not cease to be an Eligible Participant and his unvested Options on the Retirement Date or Extended Retirement Date shall continue to vest over the scheduled vesting period;

- 9.6.3 in the event of the Grantee ceasing to be an Eligible Participant by reason of:
- (a) the employing company of a Grantee who is a director or an employee ceasing to be a member of the Group (provided that the employment of such Grantee has not been transferred to another Group member within 6 months upon such employing company ceasing to be a member of the Group); or
  - (b) Disability; or
  - (c) not accepting a contract renewal offer that was offered to him in good faith by the Company or its Subsidiaries; or

- (d) redundancy or non-renewal of employment contract at the initiative of the Company or its Subsidiaries; or
- (e) any other termination initiated by the Company or its Subsidiaries whereby the Grantee does not fall within any other reason in this Rule 9.6 (including termination of his employment by his employing company on notice or with payment in lieu of such notice),

then the Grantee may exercise his Option (to the extent vested and not already exercised on the date of cessation) in whole or in part at any time within a period of 6 months commencing on the date of the cessation and any Option not so exercised shall lapse and determine without compensation at the end of such period;

9.6.4 in the event of the Grantee who is a director or an employee of the Group ceasing to be such a director or employee by reason of voluntary resignation by the Grantee, then all his Options (to the extent not already exercised on the date of the tender of the resignation (the “**Resignation Date**”)) shall lapse on the Resignation Date and shall on that day cease to be exercisable. To the extent the Grantee has exercised the Option in whole or in part pursuant to Rule 9.5, but Shares have not been allotted on the Resignation Date, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

9.6.5 in the event of the Grantee ceasing to be an Eligible Participant for any reason other than as described in this Rule 9 and Rule 10, as and when determined by the Board (in a Board meeting or by a written resolution), any unvested Option of such Grantee on the date of such cessation shall lapse and determine without compensation on such date and the Board may by written notice to such Grantee within 1 month from the date of such cessation determine the period within which the Option (to the extent vested and not already exercised) shall be exercisable following the date of such cessation;

9.6.6 in the event of the Grantee ceasing to be an Eligible Participant by reason of:

(a) resignation or termination of employment on account of performance issues (including but not limited to, being placed on a performance improvement plan prior to cessation); or

(b) one or more of the grounds specified in Rules 10.1.3 and/or 10.1.4,

then all his Options shall lapse automatically and immediately determine without compensation on the date he so ceases (to the extent not already exercised) and to the extent the Grantee has exercised the Option in whole or in part pursuant to Rule 9.5, but Shares have not been allotted on the date of cessation, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

9.6.7 if, in consequence of any general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in a like manner) made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his Personal Representative) shall be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Option (to the extent that such Options have not lapsed or been cancelled), and such Option shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period;

9.6.8 in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall as soon as possible give notice thereof to every Grantee and the Grantee (or his Personal Representative) shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than four Business Days prior to the proposed general meeting) to exercise all or any of his Option (to the extent that such Options have not

lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation on the date of commencement of the winding up of the Company;

- 9.6.9 in the event of a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his Personal Representative) shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) to exercise all or any of his Option (to the extent that such Options have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine without compensation. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this Rule 9.6.9 shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the "**Court**") (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its

officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension;

9.6.10 upon the occurrence of any of the events referred to in Rules 9.6.7 to 9.6.9, the Company may at its discretion and notwithstanding the terms of the relevant Option, also give notice to the Grantee that his Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company;

9.6.11 in any case where Options lapse pursuant to Rules 9.6.1 to 9.6.6, the Board may in its absolute discretion determine that all or any of such Options shall not so lapse (or shall lapse on a later date) subject to such conditions or limitations as the Board may decide; and

9.6.12 without prejudice to any other Rule of this Scheme:

(a) a Claw-back (in accordance with Rule 16 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) shall apply in respect of any Shares issued as a result of the exercise of Options granted, vested and/or exercised to a Grantee within, at minimum, 24 months from the date the Grantee ceases to be an Eligible Participant by reason of the events referred to in Rule 9.6.6 (b); and

(b) the Board may impose a Claw-back (in accordance with Rule 16 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) in respect of any Shares issued as a result of the exercise of Options granted, vested and/or exercised to a Grantee who ceases to be an Eligible Participant by reason of the events referred to in Rule 9.6.6 (a).

9.7 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date.

A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee or the Custodian (as trustee for and on behalf of the Grantee) has been duly entered onto the register of members of the Company as the holder thereof.

- 9.8 Notwithstanding this Rule 9, the Grantee shall not be entitled to exercise any Option until: (a) any restriction or condition imposed by the applicable laws and regulations in relation to the subscription for, holding of, dealing in, shares of overseas listed companies have been abolished, removed or ceased to be applicable to the Grantee or the Grantee has obtained approval, exemption or waiver from the relevant regulatory authorities, or complied with applicable laws, regulations and notices, for the subscription for, holding of or dealing in the Shares; and (b) by exercising the Options, he or she has given, and is deemed to have given, representations and warranties to the Company to the effect that he or she has satisfied all applicable laws, regulations and notices in exercising the Options.

## **10 EARLY TERMINATION OF OPTION PERIOD**

- 10.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- 10.1.1 the expiry of the Option Period (subject to the provisions of this Scheme);
- 10.1.2 any expiry date or the expiry of any period (as the case may be) referred to in Rules 9.6.1 to 9.6.11;
- 10.1.3 the date on which an order for bankruptcy (or any such equivalent order in any other jurisdictions) has been laid against the Grantee;
- 10.1.4 the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment with the Group on the grounds of (and in each case as evidenced to the satisfaction of the Board):
  - (a) any circumstances justifying summary dismissal or misconduct (which, for the avoidance of doubt, includes any conduct which seriously threatens to bring any Group company into disrepute or that seriously jeopardises the good standing and reputation of any Group company);

- (b) having become insolvent or appearing either to be unable to pay or to have no reasonable prospect of being able to pay debts or having made any arrangements or composition with his creditors in general;
- (c) conviction for any criminal offence (other than a motoring offence for which no custodial sentence is given); or
- (d) breach of contract or employment terms or duties with the Group.

A resolution in a board meeting or a written resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Rule 10.1.4 shall be conclusive and binding on the Grantee, and where appropriate, his Personal Representative(s);

10.1.5 the date of commencement of the winding up of the Company;

10.1.6 the date on which the Grantee commits a breach of Rule 9.1 of this Scheme;

10.1.7 the date on which any of the following events, unless otherwise waived by the Board, happen:

- (a) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee (being a corporation);
- (b) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of Section 178 of the CWUMPO or any similar laws or regulations) or otherwise become insolvent;
- (c) there is unsatisfied judgement, order or award outstanding against the Grantee;
- (d) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (a), (b) and (c) above;
- (e) a bankruptcy order has been made against any director of the Grantee (being a corporation) in any jurisdiction; or



(f) a petition for bankruptcy has been presented against any director of the Grantee (being a corporation) in any jurisdiction;

10.1.8 the date on which the Grantee commits a breach of any terms and conditions of this Scheme or the grant of his Option, if the Board shall exercise the Company's right to cancel the Option without compensation;

10.1.9 the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in this Scheme, if the Board shall exercise the Company's right to cancel the Option without compensation; or

10.1.10 the date on which the Board resolves to cancel any Option pursuant to Rule 12.

10.2 If any of the events set out in Rule 10.1.6 happen or the Grantee commits a breach of any terms and conditions of this Scheme or the grant of his Option, the Board shall have the right to cancel his Option without compensation.

10.3 A resolution in a Board meeting or a written resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in Rule 10.1.4 shall be conclusive and binding on the Grantee.

## **11 REORGANISATION OF CAPITAL STRUCTURE**

11.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, arising from any capitalisation issue, rights issue or open offer to the Shareholders which has a price-dilutive effect, consolidation or sub-division of Shares or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, then, in any such case the number of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the Subscription Price thereunder and/or the relevant maximum limits determined under Rule 6 may be adjusted in such manner as the Board may deem appropriate provided always that:

11.1.1 any such adjustment shall be made to give a Grantee the same proportion of the share capital of the Company as that to which that Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance);

11.1.2 any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option

shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and

11.1.3 any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

11.2 If any adjustments occur pursuant to Rule 11.1 above (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the Auditors or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed complies with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

11.3 If there has been any alteration in the capital structure of the Company as referred to in Rule 11.1, the Company shall, upon receipt of a notice from a Grantee in accordance with Rule 9.5, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with Rule 11.2.

11.4 In giving any certificate under this Rule 11, the Auditors or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **12 CANCELLATION OF OPTIONS**

The Board may cancel any Option provided that: (i) the Company pays to the Grantee an amount equal to the cash value of the Option at the date of cancellation as determined by the Board by reference to the difference between the market value of a Share and the Subscription Price; or (ii) the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (iii) the Board makes such arrangements as the Grantee may agree to compensate him for the loss of the Option. Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

### **13 SHARE CAPITAL**

13.1 The exercise of any Option shall be subject to the Shareholders in a general meeting approving any necessary increase in the share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company so as to allow the allotment of the Shares on the exercise of any Option.

13.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

### **14 ALTERATION OF THIS SCHEME**

14.1 This Scheme may be altered in any respect by a resolution of the Board except that the provisions of this Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in a general meeting.

14.2 Any alteration to the terms and conditions of this Scheme which are of a material nature or any change to the terms of the Options granted prior to such alteration shall be approved by the Shareholders in a general meeting, except where the alterations take effect automatically under the existing terms of this Scheme.

14.3 The amended terms of this Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.

14.4 The Board shall be entitled to amend the terms of this Scheme so as to comply with the Listing Rules and any Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to this Scheme, provided that such amendments are allowed by the Listing Rules and any Supplementary Guidance.

14.5 Any change to the authority of the Board in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in a general meeting.

14.6 Where a change is proposed to the terms of any Options granted to an Eligible Participant who is a Substantial Shareholder or an independent non-executive Director of the Company or any of their respective Associates, then the proposed change must be subject to the approval by Shareholders at a general meeting taken on a poll. All Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock

Exchange, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the holder of the Options whose terms are to be changed) on whether or not to vote in favour of the proposed change.

## **15 TERMINATION**

15.1 This Scheme shall terminate automatically on the Termination Date, unless terminated earlier by the Company by an ordinary resolution by the Shareholders in a general meeting or the Board may at any time terminate the operation of this Scheme. On termination of this Scheme, no further Options may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

15.2 Unless otherwise stated in this Scheme, Options granted before termination of this Scheme shall continue to be valid and exercisable in accordance with these Rules.

## **16 CLAW-BACK**

16.1 Without prejudice to Rule 16.2, the Board may at any time after the Exercise Date of an Option determine that a Claw-back shall apply in respect of any Shares issued as a result of the exercise of such Options, if the Board determines that:

16.1.1 there has been a material misrepresentation, misstatement, erroneous calculation, error or discrepancy in relation to the performance of any Group company, relevant business unit and/or the Grantee on the basis of which the grant of Option was determined (which may include, but shall not be limited to a material: (i) misstatement of the financial results and/or financial position of any Group company; (ii) erroneous calculation in relation to the results or other performance benchmark of any Group company; (iii) error in the financial statements of any Group company; or (iv) discrepancy in the financial accounts of any Group company, and, for the avoidance of doubt, in each case, notwithstanding that such misrepresentation may not arise from fraud or reckless behaviour); or

16.1.2 an erroneous calculation was made in assessing the extent to which the Option was granted or is to be capable of vesting, or vested, or in respect of any Shares issued as a result of the exercise of such Options,

and, in either case, (a) the Option was granted or is capable of vesting, or being vested, in respect of a greater number of Options or (b) in respect of any Shares issued as a result of the exercise of such Options, in respect of a greater number of Shares than would have been the case had any of the matters specified in Rule 16.1.1 and/or Rule 16.1.2 not arisen.

16.2 Without prejudice to Rule 16.1, the Board may at any time (whether before or after vesting or exercise) determine that a Claw-back shall apply in respect of an Option and/or Shares issued as a result of the exercise of an Option, if the Board determines that the Grantee, or his personal representative (as applicable), has committed, including prior to grant, or after the vesting or the exercise of the Option:

16.2.1 an act or omission which justifies, or in the determination of the Board would have justified, summary dismissal or service by any Group company of notice of termination of office or employment on the grounds of misconduct;

16.2.2 an act which breaches, or in the determination of the Board breaches, any non-compete, confidentiality and / or non-solicitation restrictive covenants pursuant to any agreement or arrangement between the Grantee, or his Personal Representative(s) (as applicable), and any Group company; or

16.2.3 failing to pay or to indemnify any Group company for any claims and demands which may be made against any Group company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee, or his Personal Representative(s) (as applicable), to pay any tax obligation (including any Tax Liability) and against all incidental costs and expenses which may be incurred or spent by any Group company as a result.

16.3 A Claw-back shall be applied in accordance with the provisions of Appendix 1 (*Operation of Claw-back*).

16.4 By participating in this Scheme, the Grantee, or his Personal Representative(s) (as applicable), acknowledges and agrees that the Board may lapse any Option to such extent as it determines to be necessary (including in full) in order to give effect to the Claw-back or to a claw-back under the terms of any other employees' share scheme or bonus scheme operated from time to time by any Group company.

## 17 MISCELLANEOUS

- 17.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 17.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company or the Subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Subsidiaries.
- 17.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Custodian, the Auditors or the financial adviser to the Company in relation to the preparation of any certificate by them or providing any other services in relation to this Scheme.
- 17.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notices or documents being sent to the Shareholders.
- 17.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Subsidiaries, and in the case of the Grantee being a corporation, its registered office or its address as notified to the Company from time to time. Notices may also be sent electronically to the Company or a Grantee by sending it to the address notified by the Company or such Grantee (as the case may be) to the other from time to time.
- 17.6 Any notice or other communication if sent by the Grantee (or, where appropriate, his Personal Representative(s)) shall be irrevocable and shall not be effective until actually received by the Company.
- 17.7 Any notice or other communication if sent to the Grantee (or, where appropriate, his Personal Representative(s)) by the Company shall be deemed to be given or made:
- 17.7.1 one day after the date of posting, if sent by mail;

- 17.7.2 when delivered, if delivered by hand; and
- 17.7.3 immediately unless the sender received a failure of receipt notification, if sent electronically.
- 17.8 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary governmental or official consent or any other consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this Rule shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options.
- 17.9 A Grantee shall pay all Tax Liability and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 17.10 The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any Tax Liability or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay any Tax Liability or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company. The Company may withhold an amount equal to such claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or Tax Liability or any other liabilities referred to hereinabove (or Company's reasonable estimate of the amount for such claims, demands, Tax Liability or any other liabilities) from any amounts due to the Grantee (to the extent such withholding is lawful) and / or make any other arrangements as it considers appropriate to ensure recovery of such amounts (or reasonable estimate thereof).
- 17.11 The Board shall have power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the

power to delegate its powers to grant Options to Eligible Participants and to determine the Subscription Price, to any of the Company's directors or a duly authorised committee of the Board from time to time.

- 17.12 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason. The offer or grant of an Award under this Scheme is by no means an offer of employment or continued employment to the Eligible Participant concerned.
- 17.13 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to the exercise of such Option.
- 17.14 The Company shall disclose details of this Scheme as and when required by the relevant requirements of the Listing Rules.
- 17.15 Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.
- 17.16 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.



## APPENDIX 1

### OPERATION OF CLAW-BACK

#### Claw-back prior to the transfer of Shares in respect of exercised Options (or “malus”)

1. Where the Board determines (pursuant to Rules 16.1 or 16.2) that a Claw-back shall apply in respect of any Options prior to delivery of the Shares to the Grantee, or his Personal Representative(s) (as applicable), pursuant to the exercise of such Options, the Claw-back shall be applied by the Board:
  - (A) prior to the relevant vesting, by reducing the number of Options in respect of which the Options may vest (which may be all or some of such Options); or
  - (B) after the relevant vesting but prior to exercise, by reducing the number of vested Options (which may be all or some of such vested Options); or
  - (C) after the relevant exercise, by reducing the number of Shares issued as a result of the exercise of such Options (which may be all or some of such Shares issued),in each case by such number of Shares as is determined by the Board (and the Options shall lapse to the extent so reduced, which may be in full).

#### Claw-back following the delivery of Shares in respect of exercised Options

2. Where the Board determines (pursuant to Rules 16.1 or 16.2) that a Claw-back shall apply in respect of any Options following delivery of the Shares to the Grantee, or his Personal Representative(s) (as applicable), pursuant to the exercise of such Options (a “**Post-Transfer Claw-back**”), the Board shall determine:
  - (A) the number of Shares which were delivered and which should be the subject of the Claw-back (the “**Excess Shares**”); and
  - (B) the aggregate Fair Market Value of such Excess Shares (as determined by the Board) on the Exercise Date (the “**Equivalent Value**”).
3. In the case of a Post-Transfer Claw-back, all dividends or other distributions in respect of Shares which were delivered pursuant to the exercise of such Options shall be subject to the Claw-back to the extent that the Board determines that such dividends or other distributions relate to the Excess Shares.

4. A Post-Transfer Claw-back may be effected in such manner as may be determined by the Board, and notified to the Grantee, or his Personal Representative(s) (as applicable), including by any one or more of the following:
  - (A) by reducing the number of Shares and/or amount of cash in respect of which any Outstanding Award (as defined below) vests or may vest (or has vested or has been exercised, but in respect of which no Shares have yet been delivered or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award, by the number of Excess Shares and/or the Equivalent Value (and such Outstanding Award shall lapse to the extent so reduced);
  - (B) by setting-off against any amounts payable by any Group company to the Grantee, or his Personal Representative(s) (as applicable), an amount up to the Equivalent Value (including from any bonus payment which may otherwise become payable to the Grantee or his Personal Representative(s)), to the extent permitted by law; and/or
  - (C) by requiring the Grantee, or his Personal Representative(s) (as applicable), to immediately transfer to the Company a cash amount equal to the Equivalent Value (which shall be an immediately payable debt due to the Company), provided that the Board may, at its absolute discretion, reduce the amount of the Equivalent Value subject to the Claw-back in order to take account of any Tax Liability which arose on the Excess Shares (howsoever delivered to the Grantee or his Personal Representative(s)).
5. For the avoidance of doubt, nothing in Rule 16 (*Claw-back*) or this Appendix shall in any way restrict a Grantee or his Personal Representative(s) from being able to transfer or otherwise deal in Shares acquired on exercise of an Option.

6. In paragraph 4 above:

**“Outstanding Award”** means any other Options under this Scheme, any award or option under any other employees’ share scheme operated from time to time by any Group company or any bonus award under any bonus scheme operated from time to time by any Group company, in each case which is either held by the Grantee or his Personal Representative(s) at the time of a determination that a Claw-back shall be applied or which are granted to the Grantee, or his Personal Representative(s) (as applicable), following such a determination.