

VITASOY INTERNATIONAL HOLDINGS LIMITED

(維他奶國際集團有限公司)

(Incorporated in Hong Kong with limited liability)

RULES OF

THE SHARE AWARD SCHEME

(Adopted by resolution passed by the Board of Directors of the Company on 22nd March, 2021
and approved and amended by resolution passed at an Annual General Meeting of the
Company held on 28th August, 2023)

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1. Definitions and interpretation

1.1 In these Rules, except where the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition Date”	means the date on which the Trustee is to acquire Share(s), as instructed by the Company, in connection with an Award;
“Anniversary”	means the date that falls 12 calendar months from the date in question;
“Approval Date”	means the date on which this Scheme was approved by a resolution of Shareholders in a general meeting of the Company;
“Associate”	has the same meaning as defined in the Listing Rules;
“Auditor”	means the auditors for the time being of the Company;
“Award”	means, individually or collectively, any award to an Eligible Participant of any Restricted Share, Performance Share, Restricted Share Unit or Performance Share Unit;
“Award Date”	means the date on which the Award is deemed to be granted to an Eligible Participant under the terms of the Award;
“Award Holder”	means the grantee for the time being of an Award who has accepted such Award;
“Award Shares”	means in respect of any Award, the Shares comprised in such Award;
“Benefits”	has the meaning given in Rule 9.11;

“Board”	means the board of Directors of the Company or a committee thereof duly formed to administer matters in relation to this Scheme;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“Claw-back”	means a recovery of value by the Company from an Award Holder or Share Recipient in accordance with the provisions of Rule 12 (<i>Claw-back</i>) and Appendix 1 (<i>Operation of Claw-back</i>);
“Close Associate”	has the same meaning as defined in the Listing Rules;
“Companies Ordinance”	means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	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;
“Connected Person”	has the same meaning as defined in the Listing Rules;
“Core Connected Person”	has the same meaning as defined in the Listing Rules;
“control”	means the power of a person to secure: <ul style="list-style-type: none"> (i) by holding shares or other securities, or by having voting power in or in relation to the relevant body corporate or any other body corporate; or (ii) by virtue of any powers conferred by the articles of association, bye-laws or other constitutional document regulating the relevant body corporate or any other body corporate, that the affairs of the relevant body corporate are conducted in accordance with the wishes of such person;
“Controlling Shareholder”	has the same meaning as defined in the Listing Rules;
“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 Award 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;
- “Effective Date” means 1 July 2021;
- “Eligible Participant” means any employee, executive or director of the Company or any of its Subsidiaries. An Eligible Participant must remain eligible during the period when any Award is granted to him and when the Award remains outstanding. In the event that the Company determines that an Eligible Participant fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding Award granted to such Eligible Participant to the extent not already vested;
- “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 Company 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;

- “Group” means the Company and its Subsidiaries;
- “HK\$” means Hong Kong dollars, the lawful currency for the time being of Hong Kong;
- “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;
- “in writing” 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;
- “Leaver” means an Award Holder that ceases to be an Eligible Participant due to any one of the following reasons:
- (i) termination of employment as a result of death (as evidenced by the production to the Company of a death certificate) or Disability;
 - (ii) 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 Award Holder) 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). For avoidance of doubt, an Award Holder who is re-appointed under the new terms and conditions by any company in the Group, on or before his retirement date does not cease to be an Eligible Participant;
 - (iii) termination of employment on the grounds of: (a) breach of contract or employment terms or duties; (b) 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); (c) any other circumstances justifying summary dismissal; (d) conviction for any criminal offence (other than a motoring offence for which no custodial sentence is given); or (e) bankruptcy or 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, in each case as evidenced to the satisfaction of the Company;

- (iv) voluntary resignation by the Award Holder;
- (v) 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);
- (vi) the Award Holder not accepting a contract renewal offer that was offered to him in good faith by the Company or its Subsidiaries;
- (vii) redundancy or non-renewal of employment contract at the initiative of the Company or its Subsidiaries;
- (viii) any other termination initiated by the Company whereby the Award Holder does not fall within any other reason in this definition; or
- (ix) for any other reason as determined by the Group that such person shall be deemed to leave under other circumstances.

A determination of the Company or the relevant Group company to the effect that an Award Holder ceases to be an Eligible Participant on one or more of the grounds specified in (i) to (ix) above shall be conclusive and binding on the Award Holder and, where appropriate, his personal representative(s);

“Listing Rules”

means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

“Other Related Income”

means all income and assets (other than in the form of cash) distributed by the Company to a Shareholder in relation to a Share held in the Trust or any Award Share, other than Related Shares;

“Performance Metrics”

means the metrics determined by the Company from time to time for the purposes of determining the vesting of Performance Shares and/or Performance Share Units (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 Company from time to time and notified to Eligible Participants by the Company;

“Performance Period”	means in respect of a Performance Share or Performance Share Unit, the period determined by the Company in respect of any Performance Metrics for the vesting of that Performance Share or Performance Share Unit;
“Performance Share”	is an Award Share granted which vests subject to the applicable Performance Metrics and in respect of such Performance Period, in respect of each Award of Performance Shares, or any other performance conditions, as determined by the Company from time to time;
“Performance Share Unit”	is a conditional right to receive one Share granted in connection with an Award made under Rule 6.1, which vests subject to the applicable Performance Metrics and in respect of such Performance Period, in respect of each Award of Performance Share Units, or any other performance conditions, as determined by the Company from time to time, and shall be subject to the conditions stipulated in Rule 8;
“Related Cash Income”	means all cash income (including cash dividend) distributed by the Company to a Shareholder in relation to a Share held in the Trust or any Award Share;
“Related Expenses”	means any related expenses in respect of acquiring a Share, including, without limitation, brokerage fee, stamp duty, transaction levy, and Stock Exchange trading fee;
“Related Shares”	means any distribution by the Company to a Shareholder in the form of Shares (including but not limited to, bonus issues, scrip dividend but excluding any nil paid rights, bonus warrants and other non-cash and non-scrip distributions) in relation to a Share held in the Trust or any Award Share;
“Residual Cash”	means all cash held in the Trust;
“Residual Share”	subject to the provisions of this Scheme, means an Award Share that is forfeited in accordance with the terms of this Scheme and any other Share that is not an Award Share, that is held in the Trust;
“Restricted Share Unit”	is a conditional right to receive one Share granted in connection with an Award made under Rule 6.1 and shall be subject to the conditions stipulated in Rule 8;

“Restricted Shares”	are Award Shares granted to the relevant Eligible Participant, as determined by the Company;
“Rules”	means the Rules of this Scheme;
“Scheme”	means this Scheme constituted by these Rules in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Period”	means the period commencing on the Effective Date and expiring at 5.00 p.m. (Hong Kong time) on the day prior to the tenth Anniversary thereof;
“SFO”	means Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share”	means an ordinary share of the Company;
“Share Recipient”	means a former Eligible Participant, or his personal representative (as applicable), who has received Shares and / or cash as a result of a vested Award;
“Share Unit”	means a Restricted Share Unit and / or a Performance Share Unit;
“Shareholder”	means the holder of a Share;
“Stock Exchange”	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;
“Subsidiary”	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 “ Subsidiaries ” shall be construed accordingly;
“Substantial Shareholders”	has the same meaning as defined in the Listing Rules;
“Supplementary Guidance”	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 Stock Exchange relating to share option schemes;
“Tax Liability”	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);

“Transfer Conditions” means the conditions specified in Rule 9.7(A), (B) and (C);

“Trust” means the trust constituted by the Trust Deed;

“Trust Deed” means the trust deed or trust deeds between the Company and the Trustee in connection with this Scheme as stated by its terms to be the Trust Deed for the purposes of this Scheme (as further restated, supplemented, amended or replaced from time to time);

“Trustee” means the trustee or trustees for the time being of the Trust as declared in the Trust Deed and notified to Award Holders from time to time; and

“Vested Unit” has the meaning given to it in Rule 9.6 (A).

1.2 In these Rules:

- (A) paragraph headings are for ease of reference only and shall be ignored in construing these Rules or the Scheme;
- (B) 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;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, replaced, consolidated and re-enacted and shall include any subordinate legislation made under the relevant statute; and
- (G) 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 amend and approve this Scheme at a general meeting of the Company and to authorise the Board to grant Awards under this Scheme and to allot and issue Shares pursuant to any Awards.
- 2.2 The grant of Awards 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 in respect of the Awards 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 “**Approval Date**” shall be conclusive evidence of the matters so certified.

3. Purposes

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. **Duration of Scheme** 4.1 This Scheme shall commence on the Effective Date and shall continue for the duration of the Scheme Period.

5. Maximum Awards / Scheme Limits

- 5.1 The Scheme Mandate Limit (as defined below) shall operate as follows:

- (A) The total number of Shares which may be issued upon exercise of all Awards to be granted under this Scheme and any other share award scheme and share

option to be granted under any other share options 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 (i.e. Approval Date) (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to Rules 5.1(B) or 5.1(C). 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.

- (B) The Scheme Mandate Limit referred to under Rule 5.1(A) may be refreshed after three years from the Approval 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 Awards to be granted under this Scheme and any other share award schemes and share options to be granted under any other share option 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 Scheme Mandate Limit. Subject to the Listing Rules, any refreshment within any three year period must be approved by independent Shareholders, where any Controlling Shareholder and 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, and the Company must comply with the relevant requirements under the Listing Rules.
- (C) Notwithstanding the foregoing, the Company may grant Awards beyond the Scheme Mandate Limit to Eligible Participants if (a) separate Shareholders’ approval has been obtained for granting Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company before such Shareholders’ approval is sought; (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; and (c) the number and terms of Awards to be granted to such Eligible Participant(s) must be fixed before Shareholders’ approval.

5.2 No Award 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 all share award schemes (including Awards under this Scheme) already granted or to be granted to such Eligible Participant (excluding any options and/or awards lapsed in accordance with the terms of this Scheme or other share award schemes) in the 12-month period up to and including the date of such new grant exceeding in aggregate over 1% of the Shares in issue as at the date of such new grant unless:

- (A) such grant is separately approved by 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;

- (B) 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; and
- (C) the number and terms of the Awards to be granted to such proposed Award Holder shall be fixed before the approval of the Shareholders as mentioned in Rule 5.2(A).

5.3 The maximum number of Shares referred to in Rule 5 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 14.

6. Offer, Acceptance and Grant of Awards

6.1 On and subject to these Rules, from time to time during the Scheme Period, the Company may, at its absolute discretion, offer to grant (or, as the case may be, decide not to offer to grant) to any Eligible Participant any Award / Awards subject to such conditions as it may specify in such Awards.

6.2 Such offers shall be made to the Eligible Participants in writing in such form as the Company may determine specifying:

- (A) whether the Award comprises Restricted Shares, Restricted Share Units, Performance Shares or Performance Share Units;
- (B) in the case of Restricted Shares or Performance Shares the number of Award Shares and in the case of Restricted Share Units or Performance Share Units the number of Share Units, that are subject to the Award;
- (C) the date by which the offer of the Award must be accepted (being a date no more than 28 Business Days (inclusive) from date on which the offer is made) and the manner and form in which the Eligible Participant must accept the offer;
- (D) the Award Date;
- (E) the vesting schedule in respect such Award and any conditions and/or Performance Metrics in respect of the vesting of the Award;
- (F) if an Award is in respect of Performance Shares or Performance Share Units, the relevant Performance Period;
- (G) that the Award is subject to the claw-back provisions of Rule 12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*) and
- (H) any other terms and conditions the Company may specify.

The Award shall also state that the relevant Award Holder agrees to be bound by the provisions and terms of this Scheme and the Award.

- 6.3 Acceptance by recipient of an offer referred to in Rule 6.2 above of an Award must be made in accordance with the manner and form specified in the offer referred to in Rule 6.2 above and shall only be effective upon actual receipt by the Company within the period of 28 Business Days (inclusive) from the date on which it is made. An Award that is not accepted within such period and in accordance with the manner and form specified in the offer referred to in Rule 6.2 shall lapse and determine upon expiry of that period.
- 6.4 An Eligible Participant shall, before accepting of an offer referred to in Rule 6.2 above of an Award, obtain all necessary governmental or official consent or any other consents that may be required to enable him to accept the offer of an Award and the Company and / or the Trustee to transfer to him in accordance with the provisions of this Scheme the Shares falling to be transferred upon the vesting of his Award. By accepting an offer of an Award, the Eligible Participant thereof is deemed to have represented to the Company and the Trustee that he has obtained all such consents. Compliance with this Rule 6.4 shall be a condition precedent to an acceptance of an offer of an Award.
- 6.5 The Company shall not be responsible for any failure by an Eligible Participant to obtain any such consent referred to in Rule 6.4 above or for any Tax Liability or any other liability to which an Eligible Participant may become subject as a result of his participation in this Scheme. An Eligible Participant shall, on demand, indemnify the Company and / or the Trustee fully against all claims and demands which may be made against the Company and / or the Trustee (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 Eligible Participant to obtain any necessary consent referred to hereinabove or to pay any Tax Liability or any other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company and / or the Trustee. The Company and / or the Trustee may withhold an amount equal to such claims and demands which may be made against the Company and / or the Trustee (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 Eligible Participant to obtain any necessary consent referred to hereinabove or Tax Liability or any other liabilities referred to hereinabove (or Company and / or the Trustee's reasonable estimate of the amount for such claims, demands, Tax Liability or any other liabilities) from any amounts due to the Eligible Participant (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).
- 6.6 The Company shall notify the Trustee as soon as reasonably practicable after the receipt by the Company of an acceptance of an Award received in accordance with Rule 6.3 above (including the details of such Award).
- 6.7 Any offer to grant an Award may **not** be accepted in respect of fewer Shares or Share Units than those stated in the relevant offer. For the avoidance of doubt, acceptance by a recipient of an offer of an Award for a number of Shares or Share Units different to that included in the relevant offer shall cause the Award to lapse and determine upon expiry of the period by which the offer of the Award must be accepted (unless rectified by the

recipient in writing and upon actual receipt of such rectification by the Company prior to the expiry of such period).

- 6.8 An Award shall be personal to the Award Holder and shall not be assignable or transferrable. No Award Holder shall in any way sell, transfer, assign, charge, mortgage, encumber or otherwise create any interest in favour of any third party over or in relation to any Award or the relevant Award Shares. If the Award Holder attempts to do any of the foregoing, the Award shall lapse and all unvested Award Shares or Share Units in respect of that Award shall be forfeited (and the relevant Award Holder shall have no further rights to such unvested Award Shares or Share Units) on such sale, or transfer, or upon the creation of such charge, mortgage, encumbrance or interest.
- 6.9 Any grant of Awards 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 Awards).
- 6.10 Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective Associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant must be approved by Shareholders at a general meeting in the manner set out in the Listing Rules. The Award Holder, 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 Listing Rules, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Awards) on whether or not to vote in favour of the proposed grant.
- 6.11 Where any grant of Awards 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 and/or awards already granted (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant must be subject to the approval by Shareholders at a general meeting in the manner set out in the Listing Rules. The Award Holder, 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 Listing Rules, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Awards) on whether or not to vote in favour of the proposed grant.

- 6.12 The requirements for the grant of Awards to a Director or chief executive of the Company set out in Rules 6.9, 6.10 and 6.11 shall not apply where the Eligible Participant is only a proposed director or chief executive of the Company.

7. Funding of Awards

- 7.1 Subject to Rule 7.2, the Company may, in accordance with the Trust Deed:

- (A) instruct the Trustee to acquire such number of Shares on the Stock Exchange at the prevailing market price on the Acquisition Date and fund such acquisition by the Trustee; and / or
- (B) subject to any applicable requirement of law or regulation (including the Listing Rules), allot and issue such number of Shares to the Trustee,

for the satisfaction of any outstanding Award.

- 7.2 No allotment and issuance of Shares and payment shall be made to the Trustee pursuant to Rule 7.1, no instruction to acquire any Shares shall be given by the Company to the Trustee under this Scheme and no grant of an Award shall be offered by the Company where:

- (A) any director is in possession of any inside information (as defined in Part XIVA of the SFO) in relation to the Company; or
- (B) where dealings in Shares by directors are prohibited under any applicable law or regulation (including the Listing Rules).

- 7.3 Subject to Rule 7.2, the Company may instruct the Trustee to apply:

- (A) any Residual Share as an Award Share or as a Share to be delivered for each Vested Unit; and
- (B) any Residual Cash to the fees, costs and expenses (including Related Expenses) in respect of the operation and maintenance of the Trust.

8. Conditions for Share Units

- 8.1 Share Units, which for the avoidance of doubt includes both Restricted Share Units and Performance Share Units, shall be subject to the following conditions:

- (A) the terms and conditions applicable to Share Units which are stated in the offers referred to in Rules 6.1 and 6.2; and
- (B) no Shares shall be issued at the time a Share Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award. For

the avoidance of doubt, an Eligible Participant who holds Share Unit(s) shall have no beneficial interests in any Share and shall not be entitled to have any rights and privileges of a Shareholder, including voting rights, rights in respect of dividends (or their equivalent), transfer or any other rights (including those arising on the liquidation of the Company), with respect to the Share(s) associated with the relevant Share Unit(s).

9. Vesting of Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units

9.1 Restricted Shares and Restricted Share Units: Subject to Rule 9.3, unless otherwise determined by the Company, Restricted Shares and Restricted Share Units that the Company offers to grant to an Eligible Participant pursuant to Rules 6.1 and 6.2 shall vest in accordance with the schedule stated in the relevant offers referred to in Rule 6.2.

9.2 Performance Shares and Performance Share Units:

- (1) Subject to Rule 9.3, unless otherwise determined by the Company, Performance Shares and Performance Share Units shall vest on the date(s) stated in the relevant offer(s) referred to in Rule 6.2, subject to any other condition(s) set out in the relevant offer (including, without limitation, any relevant Performance Metrics for the relevant Performance Period), and subject to Rules 9.2(2) and (3) below.
- (2) For avoidance of doubt, Shares for vested Performance Shares and Performance Share Units shall only be transferred to the Award Holder, or his personal representative, upon the Company certifying that the relevant Performance Metrics for the relevant Performance Period have been achieved or satisfied and all other condition(s) have been achieved or satisfied.
- (3) Notwithstanding Rule 9.4, any Award Holder who ceases to be an Eligible Participant (including becoming a Leaver) after his Performance Shares and/or Performance Share Units have vested in accordance with Rule 9.2(1) but before the relevant Shares are transferred to him, the Award Holder, or his personal representative, will be entitled to receive transfer of those related vested Shares and such cessation shall not affect that Award Holder's interest in respect of those Performance Shares and/or Performance Share Units.

9.3 Vesting Period

The minimum period for which an Award must be held before vesting under the terms of this Scheme shall not be less than 12 months (or such other period as may be prescribed by the Listing Rules from time to time). 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.

Subject to the foregoing, a shorter vesting period than the prescribed minimum period may, at the Board and/or the Company's absolute discretion, apply in the following circumstances:

- (A) grants to Eligible Participants for the purpose of compensating him for any loss of share options or awards or any other form of compensation due to leaving his previous employer(s);
- (B) grants to Eligible Participants whose employment is terminated due to death or Disability or occurrence of any out of control event;
- (C) grants with performance-based vesting conditions provided in this Scheme, in lieu of time-based vesting criteria;
- (D) grants that are made in batches during a year for administrative and compliance reasons;
- (E) grants with a mixed or accelerated vesting schedule, such as where the Award may vest evenly over the prescribed minimum period;
- (F) grants with a total vesting and holding period of more than the prescribed minimum period; and
- (G) where Rule 13 is applicable.

9.4 Ceasing to be an Eligible Participant:

Subject to:

- (1) any other terms and conditions specified in the relevant offer referred to in Rule 6.2; and
- (2) any determination by the Company,

in respect of any Award granted to an Award Holder who ceases to be an Eligible Participant and is:

- (i) a Leaver who ceases to be an Eligible Participant under reason (i) (*death or Disability*);
- (ii) a Leaver who ceases to be an Eligible Participant under reason (ii) (*retirement in accordance with his contract of employment or at the relevant retirement age*);

- (iii) a Leaver who ceases to be an Eligible Participant under reason (iii) (*termination of employment on the grounds of breach of contract or employment terms or duties or misconduct*);
- (iv) a Leaver who ceases to be an Eligible Participant under reason (v) (*resignation or termination of employment on account of performance issues*);
- (v) a Leaver who ceases to be an Eligible Participant under reason (iv) (*voluntary resignation by the Award Holder*), reason (vi) (*not accepting a contract renewal offer*), reason (vii) (*redundancy or non-renewal of employment contract*), reason (viii) (*other termination initiated by the Company*) or reason (ix) (*leaving under other circumstances*),

all unvested Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units on the date he ceases to be an Eligible Participant shall lapse and be forfeited and the Award Holder or his personal representative (as applicable) shall have no further rights whatsoever to such unvested Restricted Shares, Performance Shares, Restricted Share Units or Performance Share Units and the last working day of a Leaver is the date of cessation of employment whether salary is paid in lieu of notice or not (except in the case of a Leaver who ceases to be an Eligible Participant under reason (iv) (*voluntary resignation by the Award Holder*) the date he ceases to be an Eligible Participant shall be the date he tenders his notice of resignation), and provided always that the Company in its absolute discretion may decide that such Awards shall not so lapse or be forfeited subject to such conditions or limitations as it may decide.

Without prejudice to any other Rule of this Scheme:

- (a) a Claw-back (in accordance with Rule 12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) shall apply in respect of any Award granted and/or vested within, at minimum, 24 months from the date of cessation to a Leaver who ceases to be an Eligible Participant under reason (iii) (*termination of employment on the grounds of breach of contract or employment terms or duties or misconduct*); and
- (b) the Company may impose a Claw-back (in accordance with Rule 12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) on a Leaver who ceases to be an Eligible Participant under reason (v) (*resignation or termination of employment on account of performance issues*).

9.5 Rounding and forfeiture:

- (A) for Award Shares: To the extent that the number of Award Shares to be vested under the terms of this Scheme (the “original number of Shares”) would not be equal to an integral number of Shares, such number of Award Shares to be vested shall be rounded down (in all cases) to the nearest integral number of Shares. Any unvested portion of the original number of Shares shall be forfeited and shall be deemed to be Residual Shares and the Award Holder (or his

personal representative) shall have no further rights to such Residual Shares; and

- (B) for Share Units: To the extent that the number of Share Units to be vested under the terms of this Scheme (the “original number of Share Units”) would not be equal to an integral number of Vested Units, such number of Share Units to be vested shall be rounded down (in all cases) to the nearest integral number of Vested Units. Any unvested portion of the original number of Share Units shall lapse and be forfeited and the Award Holder (or his personal representative) shall have no further rights to such unvested Share Units.

9.6 Transfer of vested Shares: Upon vesting of Restricted Shares, Performance Shares, Restricted Share Units and / or Performance Share Units:

- (A) subject to Rule 9.2(2) and Rule 9.6(B), the Company shall arrange for the Trustee to deliver to the Award Holder, or his personal representative, one Share for each vested Restricted Share, vested Performance Share or outstanding Share Unit (“**Vested Unit**”);
- (B) provided that, if explicitly provided in the terms of the Award, the Company may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the vesting date with respect to such Vested Units; and
- (C) the delivery of Shares and / or cash should normally be as soon as reasonably practicable, provided that the Company may, in its sole discretion, elect to delay the delivery of Shares and / or cash by written notice to the Award Holder.

9.7 Conditions for transfer of Shares: Vested Award Shares (from the vesting of Restricted Shares and Performance Shares) and Shares / or cash to be delivered for each Vested Unit (for Vested Units) shall only be transferred to the Award Holder pursuant to this Scheme if:

- (A) the Company considers that the transfer thereof would be lawful in the relevant jurisdiction(s) and expedient on account of either the restrictions under the laws of the relevant jurisdiction(s) or the requirements of the relevant regulatory bodies or stock exchange(s) in such jurisdiction(s);
- (B) in a case where (in any jurisdiction) the Company or its Subsidiaries or the Trustee is obliged (or would suffer a disadvantage if it were not to) to account for any Tax Liability for which that Award Holder is liable by virtue of the transfer of Shares and / or payment of cash, the Company or its Subsidiaries or the Trustee has received on or prior to the transfer of Shares and / or payment of cash payment from the Award Holder of an amount not less than the Tax Liability, or that Award Holder has entered into arrangements acceptable to the Company or its Subsidiaries or the Trustee to secure that such a payment is made (whether

by authorising the sale of some or all of the Shares on his behalf and the payment to the Company or its Subsidiaries or the Trustee of an amount equal to the Tax Liability out of the proceeds of sales or otherwise); and

- (C) the Award Holder has entered into such arrangements as the Company or its Subsidiaries or the Trustee requires (and where permitted in the relevant jurisdiction) to satisfy any liability to social security or any government mandatory fund contributions in respect of the transfer of Shares and / or payment of cash or for any other reason determined by the Company to be necessary and/or expedient in connection with the transfer of Shares.

9.8 No Compensation: A person ceasing to be an Eligible Participant for any reason shall not in any event be entitled to any compensation for or in respect of any resulting reduction or extinction of his rights or benefits (actual or prospective) under any Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units then held by him or otherwise in connection with this Scheme.

9.9 Voting rights / dividends / other rights: For the avoidance of doubt, an Award Holder shall only be entitled to exercise the voting, transfer or any other rights (including those arising on the liquidation of the Company) in respect of a vested Award Share or a Share to be delivered for each Vested Unit, and to receive directly any dividend in respect of a vested Award Share or a Share to be delivered for each Vested Unit, after such vested Award Share or Share to be delivered for each Vested Unit has been transferred to that Award Holder in accordance with Rule 9.6.

9.10 Tax Liability: All Tax Liability in relation to the granting, vesting or otherwise in relation to any Restricted Shares and Performance Shares and in relation to the delivery of Shares for each Vested Unit and / or any cash payment made in lieu of delivering Shares for Vested Units shall be borne by the relevant Award Holder or his personal representative (as applicable).

9.11 Personal Representative(s): If any Award Holder has Award(s) which are vested, but unsettled in accordance with Rule 9.1 and/or Rule 9.2, at the time of his/her death, the Trustee shall hold such vested Award(s) for the personal representative(s) of the deceased Award Holder, and settle such Award(s) with the personal representative(s) in accordance with Rule 9.1 and/or Rule 9.2 (collectively, the "**Benefits**") within two years of the death of the Award Holder (or such longer period as the Trustee and the Company shall agree from time to time), or if the Benefits have not been transferred to the personal representative(s) of such Award Holder within the aforesaid period or the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable to the personal representative(s) of the Award Holder and shall be held in the Trust as Residual Cash and / or Residual Shares.

10. **Related Income, voting and other matters relating to Restricted Shares and Performance Shares**

10.1 Related Cash Income and Related Shares shall be treated in the following manner:

- (A) all Related Cash Income and Related Shares in respect of all vested or unvested Restricted Share or Performance Share shall be held in the Trust as Residual Cash or Residual Shares (and the relevant Award Holder shall have no entitlement or interest in such accrued Related Cash Income or Related Shares);
 - (B) any interest or dividends accrued in respect of any Related Cash Income or Related Shares shall be held in the Trust as Residual Cash or Residual Shares.
- 10.2 No Award Holder shall have any entitlement or interest in or be entitled to receive any Related Cash Income, Related Shares and Other Related Income in respect of any vested or unvested Restricted Shares and Performance Shares.
- 10.3 All Other Related Income in respect of any vested or unvested Award Shares shall be held by the Trustee pending conversion into cash. The Trustee shall, to the extent practicable, sell such Other Related Income and the net proceeds thereof shall be held in the Trust as Residual Cash.
- 10.4 If a scrip dividend scheme is implemented by the Company, the Trustee shall act in the following manner:
- (A) not elect to receive scrip Shares in respect of any Restricted Shares or Performance Shares; and
 - (B) to the extent practicable, always elect to receive scrip Shares in respect of Residual Shares held in the Trust and such scrip Shares shall also be held in the Trust as Residual Shares.
- 10.5 The Trustee shall not exercise any voting rights in respect of any Share (including Shares in respect of unvested Award Shares and unvested Share Units) held, whether directly or indirectly, in the Trust at any general meeting or in respect of any shareholders' resolutions of the Company and shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.
- 10.6 No Award Holder or his personal representative (as applicable) shall be entitled to instruct the Trustee to do anything or omit to do anything that could be inconsistent with this Rule 10.

11. Lapse of Award following determination by the Company

- 11.1 Irrespective of any other Rule of this Scheme, every Award granted under this Scheme shall be subject to the additional condition that, if the Company determines that any Award shall lapse and determine, then:
- (A) it shall so lapse and determine on such terms and conditions as the Company may determine (in the Company's absolute discretion) but only to the extent that the Award has not vested;

- (B) the Company shall forthwith:
 - (i) notify the relevant Award Holder of such fact; and
 - (ii) instruct the Trustee that the Award Shares in respect of the relevant Award have lapsed and determined and any unvested Award Shares in respect of that Award shall be treated as Residual Shares and the Trustee shall treat such unvested Award Shares no longer as for the benefit of the relevant Award Holder but as Residual Shares; and
- (C) the relevant Award Holder for which his Award has so lapsed or determined shall not in any event be entitled to any compensation for or in respect of any resulting reduction or extinction of his rights or benefits (actual or prospective) under any Award then held by him or otherwise in connection with this Scheme.

12. Claw-back

12.1 Without prejudice to Rule 12.2, the Company may at any time after the Award Date of an Award determine that a Claw-back shall apply in respect of the Award, if the Company determines that:

- (A) 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 Award Holder or Share Recipient on the basis of which the Award 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
- (B) an erroneous calculation was made in assessing the extent to which the Award was granted or is to be capable of vesting, or vested,

and, in either case, the Award was granted or is capable of vesting, or being vested, in respect of a greater number of Award Shares or Share Units than would have been the case had any of the matters specified in Rule 12.1(A) and/or Rule 12.1(B) not arisen.

12.2 Without prejudice to Rule 12.1, the Company may at any time (whether before or after vesting) determine that a Claw-back shall apply in respect of an Award if the Company determines that the Award Holder or Share Recipient has committed, including prior to grant, or after the vesting of the Award:

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

- (B) an act which breaches, or in the determination of the Company breaches, any non-compete, confidentiality and / or non-solicitation restrictive covenants pursuant to any agreement or arrangement between the Award Holder or Share Recipient and any Group company; or
- (C) 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 Award Holder or Share Recipient 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.

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

12.4 By participating in this Scheme, the Award Holder and Share Recipient acknowledges and agrees that the Company may lapse any Award 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.

13. Takeover Offers, Voluntary Winding Up and Reconstruction

13.1 If:

- (A) a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in a like manner) is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror); or
- (B) a notice of a general meeting of the Company is duly given to consider a proposed resolution to wind-up the Company voluntarily; or
- (C) 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 all Award Holders as soon as reasonably practicable after the date it dispatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement,

then:

- (1) the Company shall give due notice to each Award Holder of the occurrence of the relevant event in (A), (B) or (C) above;
- (2) all unvested Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units shall vest in accordance with the determination of the

Company provided that there shall not be any material adverse change (from the perspective of the relevant Award Holder) in respect of the unvested Award Shares and unvested Share Units that are applicable immediately prior to the occurrence of any of the events set out in (A) to (C) (inclusive) above; and

- (3) the Company shall instruct the Trustee to deal in or to hold the Residual Shares in accordance with the determination of the Company.

14. Capitalisation issues, rights issue, consolidation and sub-division, reduction of capital

14.1 In the event of any alteration in the capital structure of the Company whilst any Award remains outstanding 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 Awards(s) relates (insofar as it is/they are outstanding) and/or the relevant maximum limits determined under Rule 5 may be adjusted in such manner as the Board may deem appropriate provided always that:

- (A) any such adjustment shall be made to give an Award Holder the same proportion of the share capital of the Company (rounded to the nearest whole Share) as that to which that Award Holder was previously entitled (as interpreted in accordance with the Supplementary Guidance); and
- (B) 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.

14.2 If any adjustments occur pursuant to Rule 14.1 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.

14.3 If there has been any alteration in the capital structure of the Company as referred to in Rule 14.1, the Company shall, upon vesting of an Award in accordance with Rule 9.6, inform the Award Holder of such alteration and shall either inform the Award Holder 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 Award Holder 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 14.2.

- 14.4 In giving any certificate under this Rule 14, 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.

15. Cancellation of Awards Granted

- 15.1 The Board in its sole discretion may cancel an Award Share granted but which remains unvested with the approval of the Award Holder of such Award Share in certain circumstances, including where it is necessary to comply with the Listing Rules, or proposed or existing legislation, law or other regulatory requirements in which the Award Holder and the Company are subject to.
- 15.2 Award Shares may be granted to an Eligible Participant in place of his cancelled Award Shares provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Award Shares cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

16. Amendment of this Scheme

- 16.1 This Scheme may be altered in any respect by a resolution of the Board (without the approval of Shareholders) except that any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions of this Scheme relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of any Award Holders or prospective Award Holders must be approved by of a resolution of Shareholders of the Company in a general meeting.
- 16.2 Any change to the terms of the Awards granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders in a general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- 16.3 The amended terms of this Scheme and all Awards shall continue to comply with the relevant requirements of the Listing Rules.
- 16.4 For avoidance of doubt and without prejudice to Rule 16.1, the Board shall be entitled to amend the terms of this Scheme so as to comply with the Listing Rules or any guidance or interpretation of the Listing Rules or any proposed or existing legislation, law or other regulatory requirements from time to time applicable to this Scheme, provided that such amendments are allowed by the Listing Rules or proposed or existing legislation, law or other regulatory requirements.
- 16.5 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.

- 16.6 Where a change is proposed to the terms of any Awards 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. The relevant Award Holder, 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 the holder of the Awards whose terms are to be changed) on whether or not to vote in favour of the proposed change.

17. Termination

- 17.1 This Scheme shall terminate automatically upon expiry of the Scheme Period, unless terminated earlier by the Board at any time. On termination of this Scheme, no further Awards may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 17.2 Unless otherwise stated in this Scheme, Awards granted before termination of this Scheme shall continue to be valid and shall vest in accordance with these Rules.
- 17.3 The Trust may be terminated by notice in writing from the Company to the Trustee provided that the Trust shall not be terminated before the later of:
- (A) the expiry of the Scheme Period; and
 - (B) the date on which all Awards have vested, lapsed or been forfeited and the Trustee has settled all outstanding vested Awards with the Award Holders (or their personal representative(s)) pursuant to these Rules and the Trust Deed.

Such termination shall be in accordance with the terms of the Trust Deed and the Company will ensure that the Trust Deed provides that all Shares (if any) held by the Trustee under the Trust shall be sold by the Trustee on the Stock Exchange and the net proceeds from such sale shall be held by the Trust as Residual Cash. All Residual Cash in the Trust shall be remitted to the Company as soon as practicable in accordance with the terms of the Trust Deed. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company and the Company may not hold any Shares.

18. Companies Ordinance

- 18.1 This Scheme is an “employee share scheme” for the purposes of section 280 of the Companies Ordinance.
- 18.2 Irrespective of any other provision in this Scheme, to the extent that any action by the Company pursuant to this Scheme could be construed as financial assistance, such financial assistance shall only be given in accordance with section 280(1) of the

Companies Ordinance. Without limiting the foregoing sentence, the Company may only give such financial assistance if:

- (A) the Company has net assets that are not reduced by the giving of the financial assistance; or
- (B) to the extent that those assets are reduced, the assistance is provided by a payment out of distributable profits.

18.3 For the purposes of this Rule 18, “financial assistance”, “net assets” and “distributable profits” shall have the meanings given to them in the Companies Ordinance.

19. Miscellaneous

19.1 Notices and Communications

- (A) Any notice or other communication between the Company and an Eligible Participant or an Award Holder or a Share Recipient must be given to the recipient in writing (i) electronically; or (ii) by sending the same by personal delivery; or (iii) by post (postage prepaid and by airmail if sent to an address in a different territory) at his correspondence address according to the records of the Company or the Trustee (or such address as notified by the Eligible Participant or Award Holder or Share Recipient from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Subsidiaries).
- (B) Any notice or other communication posted by the Company or the Trustee will be deemed to have been given:
 - (i) if sent electronically, immediately unless the sender received a failure of receipt notification;
 - (ii) if delivered by hand, when delivered; or
 - (iii) if delivered by post, 1 day after being put in the post.
- (C) Any notice or other communication if sent by an Eligible Participant or an Award Holder or Share Recipient shall be irrevocable and shall not be effective until actually received by the Company.

19.2 Information to Award Holders

Award Holders shall be entitled to receive electronic communication of all notices and documents sent by the Company to its Shareholders generally.

19.3 Disputes

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Award 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 Award Holder. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Award Holder.

19.4 Administration of this Scheme

- (A) Any decision or determination by the Company shall be made by the Company acting by 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.
- (B) Any decision or determination by or to the satisfaction of the Company shall mean a decision or determination or to the satisfaction, in each case, in the sole and absolute discretion of the Company (acting by the Board person(s), as the case may be).
- (C) The Company shall have power from time to time to interpret and construe the provisions of this Scheme and to make or vary regulations for the administration and operation of this Scheme so long as they are not inconsistent with these Rules, the Listing Rules and other applicable laws and regulations.
- (D) The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Trustee, 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.
- (E) 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.
- (F) In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure requirements, including those imposed by the Companies Ordinance, the Listing Rules and the SFO from time to time.

19.5 No Offer of Employment or Additional Rights

- (A) 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.

- (B) This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards 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.

19.6 Disclosure

The Company shall disclose details of this Scheme as and when required by the relevant requirements of the Listing Rules.

19.7 Governing Law

This Scheme and all Awards 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 an Award (or “malus”)

1. Where the Company determines (pursuant to Rules 12.1 or 12.2) that a Claw-back shall apply in respect of an Award prior to delivery of the Shares to the Award Holder or Share Recipient pursuant to the Award (whether before or after vesting), the Claw-back shall be applied by the Company:
 - (A) prior to the relevant vesting, by reducing the number of Shares in respect of which the Award may vest (which may be all or some of such Shares); or
 - (B) after the relevant vesting, by reducing the number of Shares which may be delivered pursuant to the Award,

in each case by such number of Shares as is determined by the Company (and the Award shall lapse to the extent so reduced, which may be in full).

Claw-back following the delivery of Shares in respect of an Award

2. Where the Company determines (pursuant to Rules 12.1 or 12.2) that a Claw-back shall apply in respect of an Award following delivery of the Shares to the Award Holder or Share Recipient pursuant to the Award (a “**Post-Transfer Claw-back**”), the Company shall determine:
 - a) the number of Shares which vested 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 Company) on the date on which the Award vested (the “**Equivalent Value**”).
3. In the case of a Post-Transfer Claw-back, any cash payment made or additional Shares transferred in respect of an Award shall be subject to the Claw-back to the extent that the Company determines that such cash payment or Shares relate to the Excess Shares.
4. A Post-Transfer Claw-back may be effected in such manner as may be determined by the Company, and notified to the Award Holder or Share Recipient, 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, 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 Award Holder or Share Recipient an amount up to the Equivalent Value (including from any bonus payment which may otherwise become payable to the Award Holder or Share Recipient), to the extent permitted by law; and/or
 - c) by requiring the Award Holder or Share Recipient 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 Company 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 Award Holder or Share Recipient).
5. For the avoidance of doubt, nothing in Rule 12 (*Claw-back*) or this Appendix shall in any way restrict an Award Holder or a Share Recipient from being able to transfer or otherwise deal in Shares acquired on vesting of an Award.
6. In paragraph 4 above:

“Outstanding Award” means any other Award 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 Award Holder or Share Recipient at the time of a determination that a Claw-back shall be applied or which are granted to the Participant following such a determination.