

BRII BIOSCIENCES LIMITED
(incorporated in the Cayman Islands with limited liability)

2023 SHARE AWARD SCHEME

Adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company at a general meeting of the Company held on [August 21], 2023

BRII BIOSCIENCES LIMITED
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2023 SHARE AWARD SCHEME

1. DEFINITIONS

1.1 In this Scheme, the following expressions have the following meanings unless context requires otherwise:

“Adoption Date”	[August 21], 2023, being the date on which this Scheme is approved and adopted by the Shareholders at a general meeting of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company or a committee thereof duly appointed for the purpose of administering this Scheme;
“business day”	any day on which the Stock Exchange is open for the business of trading in securities;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time);
“Company”	Brii Biosciences Limited, a company incorporated under the laws of the Cayman Islands with limited liability;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Date of Grant”	the date on which the Board resolves to make an Offer of that Share Award to the Participant, which date must be a business day;	
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Share Awards under this Scheme as an inducement to enter into employment contracts with these companies);	17.03A
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Share Award in consequence of the death of the original Grantee, or the legal personal representative of such person;	
“Group”	the Company and its subsidiaries from time to time;	
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;	
“inside information”	has the meaning ascribed to it under the Listing Rules;	
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);	
“Offer”	the offer of the grant of a Share Award made in accordance with section 4.1;	
“Participant(s)”	<p>an individual or a corporate entity (as the case may be), being any of the following:</p> <ul style="list-style-type: none"> (i) an Employee Participant; and (ii) a Service Provider, <p>in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group;</p>	17.03(2) 17.03A
“PRC”	the People’s Republic of China, and for purpose of this Scheme, does not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;	

“Related Income”	all income derived from a Share held upon the Trust;	
“Remuneration Committee”	the remuneration committee of the Board;	
“Residual Cash”	being cash remaining in the trust fund held under the Trust and managed by the Trustee in respect of a Share Award (including interest income derived from deposits maintained);	
“Restricted Shares”	Shares awarded to a Participant under section 4 of this Scheme;	
“Returned Shares”	such Shares underlying a Share Award which are not vested and/or are forfeited in accordance with the terms of this Scheme (whether as a result of a lapse of Share Awards or otherwise), or such Shares being deemed to be Returned Shares;	
“RSU”	a restricted share unit conferring the Grantee a conditional right upon vesting of the RSU to obtain, as determined by the Board in its absolute discretion, either a Share or an equivalent value in cash with reference to the market value of a Share on or around the vesting date of such RSU as determined by the Board in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable;	
“Scheme”	this share award scheme in its present form or as amended from time to time in accordance with the provisions hereof;	
“Scheme Mandate Limit”	has the meaning given to that term in section 7.1;	
“Scheme Period”	the period of ten years commencing on the Adoption Date;	17.03(11)
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, such as independent contractor, consultant and/or advisor for research and development, manufacturing, product commercialization, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or	17.03A

valuers who provide assurance, or are required to perform their services with impartiality and objectivity);

“Service Provider Sublimit”	has the meaning given to that term in section 7.2;
“Share(s)”	ordinary share(s) of US\$0.000005 each in the capital of the Company or, if there has been a subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction;
“Share Registrar”	the Hong Kong branch share registrar of the Company from time to time;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Share Award”	an award of Restricted Shares or RSUs granted pursuant to section 4 of this Scheme;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers, as approved by the Securities and Futures Commission of Hong Kong (as amended from time to time);
“Trust”	the trust constituted or to be constituted by the Trust Deed;
“Trust Deed”	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of this Scheme;
“Trustee”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of this Scheme or any additional or replacement trustee(s); and
“US\$”	United States dollars, the lawful currency of the United States.

1.2 In this Scheme, save where the context otherwise requires:

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to sections are references to sections of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in the singular shall include the plural and vice versa;
- (e) expressions in any gender or the neuter shall include other genders and the neuter;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity; 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. APPROVAL CONDITIONS

2.1 This Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of this Scheme, and to authorize the directors of the Company to grant Share Awards under this Scheme and to allot and issue, procure the transfer of and otherwise deal with the Shares underlying the Share Awards granted in accordance with the terms and conditions this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Share Awards granted in accordance with the terms and conditions of this Scheme.

2.2 Notwithstanding the above, if the Grantee is a PRC resident, he or she shall not be entitled to receive any Shares pursuant to a Share Award until: (i) to the extent applicable, any restriction or condition imposed by the relevant PRC laws, regulations and notices in relation to the subscription of or dealing in shares of overseas listed companies by PRC residents or any law, regulation or notice with similar effects have been abolished or removed or ceased to be applicable to the Grantee or the Grantee has obtained approval, exemption or waiver from the relevant PRC regulatory authorities for the subscription of and dealing in the Shares; and (ii) he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant laws, regulations and notices in acquiring such Shares.

3. PURPOSE, ELIGIBILITY, DURATION AND ADMINISTRATION

3.1 The purpose of this Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. This Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants. 17.03(1)

3.2 The Board shall be entitled (but shall not be bound) to make an Offer to an individual or a corporate entity (as the case may be), being any of the following, as the Board may in its absolute discretion select, of a Share Award (consisting of either Restricted Shares or RSUs as set forth in the applicable Offer documentation):

- (a) an Employee Participant; and
- (b) a Service Provider,

in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group.

3.3 In the case of the Employee Participants, in assessing their eligibility, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

3.4 In assessing the eligibility of the Service Providers, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) in general, (a) the individual performance of the Service Providers; (b) the frequency of collaboration and the length of business relationship with the Group; (c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services; (e) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers; (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry; (ii) specifically in respect of Service Providers in the category of independent contractors, (a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; and (b) the business opportunities and external connections that the Service

Providers have introduced or will potentially introduce to the Group; and (iii) specifically in respect of Service Providers in the category of consultants and/or advisors, (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.

- 3.5 Subject to the fulfilment of the conditions in section 2 and section 11, this Scheme shall be valid and effective for the Scheme Period. After the expiry of the Scheme Period, no further Share Awards shall be offered or granted, but in all other respects the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. 17.03(11)
- 3.6 This Scheme shall be administered by the Board and/or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of this Scheme and the terms of the Trust Deed, and the decision of the Board shall be final and binding on all parties. Subject to compliance with any applicable requirements of the Listing Rules, the provisions of this Scheme and any applicable laws or regulations, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Share Awards under this Scheme, the number of Shares subject to such Share Awards and other terms and conditions (such as any vesting conditions, performance targets and clawback provisions) in relation to such Share Awards; (iii) subject to sections 8 and 10, make such appropriate and equitable adjustments to the terms of the Share Awards granted under this Scheme as it deems necessary; (iv) allot and issue new Shares to the Trustee to be held by the Trustee and which will be used to satisfy the Share Awards granted upon vesting; (v) direct and procure the Trustee to purchase existing Shares (either on-market or off-market) to satisfy the Share Awards granted upon vesting (where the Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Board may determine to enable the Trustee to satisfy its obligations in connection with the administration of this Scheme); and (vi) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.
- 3.7 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board or for any mistake of judgment made in good faith for the purposes of this Scheme, and the Company shall indemnify and hold harmless each employee, officer or director of the Company 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 Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own willful default, fraud or bad faith.
- 3.8 A Grantee shall only have a contingent interest in the Shares underlying the Share Awards which are referable to him/her subject to the vesting and transfer/sale of such Shares in accordance with the provisions of this Scheme, and shall have no rights in any Related Income, Residual Cash, Returned Shares or such other trust fund or property held by the Trust.

- 3.9 Subject to any applicable laws, regulations and rules, the powers and obligations of the Trustee will be limited as set forth in the Trust Deed. The Trustee will hold the trust fund in accordance with the terms of the Trust Deed and the Trustee will hold the Shares which are part of the trust fund. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (if any) (including but not limited to the Restricted Shares, the Shares underlying the RSUs, the Returned Shares, any bonus Shares and scrip Shares derived therefrom). In particular, the Trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the Trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by applicable laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given. 17.05A
- 3.10 No instructions may be given by a Grantee to the Trustee in respect of the Share Awards that have not vested, and such other properties in the Trust managed by the Trustee.
- 3.11 The Trustee may not subscribe for any new Shares pertaining to either (a) an open offer of new securities; or (b) any rights issue in respect of any Shares held by the Trustee. In the event of a rights issue, the Trustee will sell any nil-paid rights allotted to it on the market (to the extent there is an open market for such rights) in its sole and absolute discretion and the net proceeds of sale of such rights shall be held as part of the trust fund. In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall, if possible, sell the bonus warrants created and granted to it on the market (to the extent there is an open market for such bonus warrants) in its sole and absolute discretion and the net proceeds of sale of such bonus warrants shall be held as part of the trust fund. The Trustee may at all times have the discretion to decide whether to elect to receive scrip dividend or in cash which will then be held by the Trustee as part of the trust fund, subject to prior consultation with and decision of the Board. In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution as determined by the Trustee in its sole and absolute discretion, the net sale proceeds thereof shall be deemed as part of the trust fund.

4. GRANT OF RESTRICTED SHARE AND RSU AWARDS

- 4.1 On and subject to the terms of this Scheme, the Board shall be entitled (but shall not be bound) at any time within the Scheme Period to make an Offer to any Participant, as the Board may in its absolute discretion select, of a Share Award (consisting of either Restricted Shares or RSUs as set forth in the applicable Offer documentation) and on and subject to such terms and conditions as the Board may determine and impose and inform the Trustee and the Grantee accordingly. For the purposes of this Scheme, Share Awards may be granted to any company wholly owned by one or more Participants. The Offer shall specify the terms and conditions on which the Share Award is to be granted. Such terms and conditions may include any minimum period(s) for which a Share Award must be held (subject to sections 5.1 and 5.3), any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved such as linking its vesting to the attainment of program milestones and market capitalization milestones by the Group (subject to section 5.4), before the Share Award shall vest in whole or in part, may include any 17.03(6)
17.03(7)

clawback mechanism in respect of the Share Award as described in section 5.5, and may include at the discretion of the Board such other terms either on a case by case basis or generally. An RSU is a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of this Scheme and Share Awards granted hereunder, such units to be used solely as a device for the determination of the payment to eventually be made to a Participant upon vesting of the applicable award (and not to be treated as property or as a trust fund of any kind).

- 4.2 Each grant of Share Awards to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Share Awards). 17.04(1)
- 4.3 Where any grant of Share 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 associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new Shares already granted under this Scheme and any other share scheme(s) of the Company (excluding any awards lapsed in accordance with the terms of this Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting. Where any grant of Share Awards to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares already granted under this Scheme and any other share scheme(s) of the Company (excluding any options or awards lapsed in accordance with the terms of this Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting. 17.04(2)
17.04(3)
17.04(4)
- 4.4 In the circumstances described in section 4.2 or 4.3 above, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The relevant Grantee, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.
- 4.5 The circular to be issued by the Company to its Shareholders pursuant to section 4.4 shall contain the following information: 17.04(5)
- (a) the details of the number and terms of the Share Awards to be granted to each Grantee which must be fixed before the Shareholders' meeting;

- (b) the views of the independent non-executive directors of the Company (excluding any independent non-executive director who is the relevant Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to whether to vote for or against the resolution relating to the grant of the Share Awards;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information as required under Rule 2.17 of the Listing Rules; and
- (e) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

4.6 Any change in the terms of Share Awards granted to any Grantee who is a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the Shareholders in the manner as set out in section 4.4 if the initial grant of the Share Awards requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

4.7 No Offer shall be made and no Share Award shall be granted to any Participant in circumstances prohibited by the Listing Rules or at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. No Offer shall be made and no Share Award shall be granted to any Participants after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in an announcement in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

17.05

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Share Award may be granted. Such period will also cover any period of delay in the publication of any results announcement.

4.8 An Offer of a Share Award shall be made to a Participant by a letter in duplicate, in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Share Award on the terms on which it is to be granted and to be bound by the provisions of this Scheme. Each Offer shall remain open for acceptance by the Participant to whom the Offer is made for a period of five (5) business days from the date on which the letter containing the Offer is delivered to that Participant, provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after this Scheme has been terminated in accordance with the provisions hereof, whichever is the earlier.

4.9 An Offer shall be deemed to have been accepted and the Share Award to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer documentation comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, is received by the Company within the period as stipulated in section 4.8. Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the consideration (if any) for the acceptance of any particular Share Award which shall be stated in the Offer documentation, the Grantee is not required to pay any grant or purchase price or make any other payment to the Company to accept a Share Award granted. 17.03(8)

4.10 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the Offer is not accepted or any Grantee fails to return the acceptance of the Offer in accordance with section 4.9 within five (5) business days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in section 4.8, it shall be deemed to have been irrevocably declined.

5. PURCHASE PRICE, VESTING PERIOD, PERFORMANCE TARGETS AND CLAWBACK OF SHARE AWARDS

5.1 Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Share Award which shall be stated in the Offer documentation, the Grantee is not required to pay any purchase price to the Company to purchase any RSU underlying a Share Award granted or may only be required to pay a nominal value to purchase any Restricted Shares. 17.03(9)

5.2 Save for the circumstance as described in section 5.3, the vesting period in respect of any Share Award granted shall be no less than twelve (12) months from (and including) the Date of Grant. 17.03(6)
17.03F

5.3 Share Awards granted to an Employee Participant may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Board or the Remuneration Committee:

- (a) grants of “make-whole” Share Awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
- (b) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Award would have been granted;
- (c) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of twelve (12) months, or where the Share Awards may vest by several batches with the first batch to vest within 12 months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;

- (d) grants with performance-based vesting conditions provided in this Scheme or as specified in the Offer documentation in lieu of time-based vesting criteria; and
 - (e) grants with a total vesting and holding period of more than twelve (12) months.
- 5.4 Vesting of Share Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or the Remuneration Committee from time to time. The Board or the Remuneration Committee shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Share Award shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company. 17.03(7)
- 5.5 Notwithstanding the terms and conditions of this Scheme, the Board has the authority to provide that any Share Award shall be subject to a clawback if any of the following events occurs: 17.03(19)
- (a) if the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
 - (b) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company; and
 - (c) if any other clawback event implicitly or explicitly characterized in the Offer documentation occurs.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this section is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee (i) (in the case of a Restricted Share award) repurchase the unvested Shares in accordance with section 6.10 or (ii) (in the case of a RSU award) claw back such number of Share Awards granted (to the extent not already vested) as the Board may consider appropriate. The Share Awards that are clawed back shall be

regarded as cancelled and the Share Awards so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provided Sublimit.

6. VESTING AND TERMINATION OF SHARE AWARDS

6.1 A Share Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Share Award (or, prior to vesting of a Restricted Share award, the Shares subject thereto) or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to (i) in the case of an outstanding RSU award, cancel such award without payment of any consideration therefor and (ii) in the case of unvested Restricted Shares, repurchase the unvested Shares in accordance with section 6.10. 17.03(17)

6.2 Subject to the terms of this Scheme, the Board may decide at its sole and absolute discretion (subject to, including but not limited to, the execution of any transfer documents or restricted share agreements, the payment of any purchase price or the provision of any transfer or sale direction by the Grantee as may be required by the Board and/or the Trustee, and in accordance with the provisions stated in the Offer documentation to the Grantee) to:

- (a) direct the Trustee to transfer the number of Restricted Shares or the Shares underlying the RSUs (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee which the Trustee has acquired by making purchases of existing Shares (either on-market or off-market) and to be held pending the vesting of the relevant Share Award;
- (b) procure the Company to allot and issue the number of Restricted Shares or the Shares underlying the RSUs (and, if applicable, transfer the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee (as new Shares under the Scheme Mandate Limit) as fully paid up Shares directly; and/or
- (c) pay, or procure the payment of, an amount equivalent to the market value of the Shares underlying the RSUs (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee in cash,

for the purpose of satisfying the relevant Share Awards of the Grantee upon vesting. In circumstances set out in (a) and (b) above, the Board shall instruct the Share Registrar to issue the share certificates of the relevant Shares at no cost to the relevant Grantee (or his/her estate in the event of an issuance to his/her personal representative(s), as the case may be).

Without prejudicing to the foregoing, whether the Restricted Shares or the Shares underlying the RSUs are to be purchased from secondary markets or subscribed for is determined by the Board having regards to, among other things, the financial position of the Company, the cash position of the Company and the market price of the relevant

Shares at the relevant time. The Trustee will hold any Restricted Shares or any Shares underlying the RSUs so purchased in accordance with the terms of this Scheme and the provisions of the Trust Deed. Such Shares so acquired and/or subscribed for will, subject to the receipt by the Trustee of a confirmation from the Company that all vesting conditions have been fulfilled, be transferred to the Grantee.

Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable laws, regulations or rules, the date on which the relevant Shares shall be transferred to the Grantee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.

If a Grantee fails to execute the relevant transfer documents or restricted share agreements or pay the purchase price, give the relevant direction to transfer or sell required by the Board and/or the Trustee, the relevant part of the Share Award made to such Grantee shall automatically lapse and the relevant Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of this Scheme, unless the Board determines otherwise.

- 6.3 Subject to the terms and conditions upon which such Share Award was granted, a Share Award shall be vested on the Grantee in accordance with the vesting schedule, if any, as set out in the Offer documentation, unless the Board otherwise determines.
- 6.4 Upon any event in which the Company does not survive, or does not survive as a publicly traded company in respect of its ordinary shares or any event of change in control of the Company occurs (including, without limitation, a dissolution, voluntary winding-up, offer (by way of takeovers, scheme of arrangement or otherwise), merger, reconstruction, amalgamation, combination, consolidation, conversion, exchange of securities, or other reorganization, or a sale of all or substantially all of the business, stock or assets of the Company), the Board may make provision for a cash payment in settlement of, or for the termination, assumption, substitution or exchange of any or all outstanding awards or the cash, securities or property deliverable to the holders of any or all outstanding Share Awards, based upon, to the extent relevant under the circumstances, the distribution or consideration payable to Shareholders upon or in respect of such event. Upon the occurrence of any event described in the preceding sentence, in connection with which the Board has made a provision for a Share Award to be terminated (and the Board has not made a provision for the substitution, assumption, exchange or other continuation or settlement of the Share Award): (1) unless otherwise provided in the applicable Offer documentation, each then-outstanding Share Award granted under this Scheme shall become payable to the holder of such award (with any performance goals applicable to the award in each case being deemed met, unless otherwise provided in the Offer documentation, at the “target” performance level); and (2) each Share Award shall terminate upon the related event. For these purposes, an award shall be deemed to have been “assumed” if the award continues after an event referred to above in this section 6.4, and/or is assumed and continued by the surviving entity following such event (or a parent of such entity) and confers the right to receive, subject to vesting and the other terms and conditions of the award, for each Share subject to the award immediately prior to the event, the consideration (whether cash, shares, or other securities or property) received in the event by the Shareholders for each Share sold or exchanged in such event (or the

consideration received by a majority of the Shareholders participating in such event if the Shareholders were offered a choice of consideration). For purposes of clarity, the Board may deem an acceleration and/or termination to occur immediately prior to the applicable event and, in such circumstances, will reinstate the original terms of the award if an event giving rise to an acceleration and/or termination does not occur. For the purpose of this section, “change” shall have the meaning as specified in the Takeovers Code.

- 6.5 The Shares to be allotted and issued pursuant to any Share Award granted hereunder shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and will rank pari passu in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company 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 and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee is registered on the register of members of the Company 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, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration. 17.03(15)
- 6.6 No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of a Share Award pursuant to this Scheme, unless and until the Shares are actually issued or transferred to the Grantee pursuant to the vesting of a Share Award. The Share Awards do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Share Awards have been vested as Shares. A Share issued or transferred upon the vesting of a Share Award shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to this Scheme) as the holder thereof. 17.03(10)
- 6.7 Notwithstanding any other provisions of this Scheme or any terms and conditions set forth in the relevant offer letter in respect of the Board’s discretion to cancel any Share Awards that have not been vested, any Share Award granted but not vested may be cancelled if the Grantee so agrees. Where the Company cancels Share Awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit, and that Share Awards so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. 17.03(14)
- 6.8 In any case where a tax is required to be withheld (including but not limited to taxes in the PRC where applicable) in connection with any grant, vesting or payment of a Share Award granted under this Scheme, the Company or any of its subsidiaries shall have the right to:
- (a) reduce the number of Shares to be delivered pursuant to such tax withholding event by the appropriate number of Shares to satisfy the withholding obligation of the Company or any of its subsidiaries with respect to such event, or

- (b) require the Grantee (or the personal representative(s) of the Grantee, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any of its subsidiaries may be required to withhold with respect to such tax withholding event, and the rights of such Grantee (or the personal representative(s) of such Grantee, as the case may be) to receive or retain any Shares pursuant to such Share Award shall be subject to payment by such Grantee (or the personal representative(s) of such Grantee, as the case may be) of the amount of taxes in full as required under this section 6.8.

6.9 A Share Award shall lapse automatically (to the extent not already vested) on the earliest of:

17.03(12)

- (a) the date on which the Grantee ceases to be a Participant for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment;
- (b) the date on which the Grantee (being an employee or a director of any member of our Group) ceases to be a Participant for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in sections 6.9(d) and 6.9(e) below;
- (c) the date on which the Grantee commits a breach of section 6.1;
- (d) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (e) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (f) the date on which the Board or the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment referred to in section 5.4;
- (g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (h) unless the Board otherwise determines, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

6.10 Upon the termination of an unvested Share Award pursuant to section 6.9, (i) in the case of a Restricted Share award, the then-unvested Shares will not vest and will be

reacquired by the Company in such manner and on such terms as the Board provides, which terms shall include, to the extent not prohibited by law, payment to the Participant of the lower of (a) the fair market value of such Restricted Shares at the time of the termination of the Share Award, or (b) the original purchase price paid by the Participant to acquire such Restricted Shares (without interest); and (ii) in the case of a RSU award, cancellation of the unvested RSUs without payment.

- 6.11 For the avoidance of doubt, transfer of employment or engagement from one member of the Group to another member of the Group shall not be considered as a cessation of employment or engagement. Share Awards held by such Grantee, to the extent not already vested, shall remain eligible to vest in accordance with the terms and conditions of this Scheme and the applicable Offer documentation.
- 6.12 The Board shall have the power to decide whether a Share Award shall terminate pursuant to the foregoing provisions and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the termination of any such Share Award.

7. MAXIMUM NUMBER OF SHARES SUBJECT TO SHARE AWARDS

- 7.1 The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, being [*] Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with section 7.3. RSU awards which have lapsed in accordance with the terms of this Scheme without Shares being issued (and unvested Restricted Shares that have been forfeited and repurchased by the Company pursuant to section 6.10) and options and awards lapsed in accordance with any other share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit. 17.03(3)
17.03B(1)
- 7.2 Subject to section 7.1, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed [*] Shares, representing 1% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”). 17.03(3)
17.03B(2)
- 7.3 The Company may seek the approval of its Shareholders at general meeting to refresh the Scheme Mandate Limit or the Service Provider Sublimit after three years from the Adoption Date or the date of Shareholders’ approval for the last refreshment (as the case may be), such that the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid approval for refreshment by the Shareholders in General meeting. Options and awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company will not be regarded as utilized for the purpose of calculating the limit as refreshed. The Company shall send a circular to the Shareholders containing 17.03C

the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

Any refreshment within any abovementioned three-year period must be approved by the Shareholders subject to the following provisions:

- (a) any controlling shareholder(s) of the Company and their respective associates, or if there is no controlling shareholder(s) of the Company, directors (excluding independent non-executive directors) and the chief executives of the Company and their respective associates must abstain from voting in favor of the relevant resolution at the general meeting; and
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-sections (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit or the Service Provider Sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit or the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

7.4 Without prejudice to section 7.3, the Company may also seek separate approval of the Shareholders in general meeting for granting any Share Awards beyond the Scheme Mandate Limit, or if applicable, the refreshed limit as referred to in section 7.3 above, provided that the Share Awards in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular shall be sent to Shareholders containing the name of each specified Participant who may be granted such Share Awards, the number and terms of the Share Awards to be granted to each specified Participant, the purpose of granting Share Awards to the specified Participants with an explanation as to how the terms of the Share Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Share Awards to be granted to such Participant must be fixed before Shareholders' approval.

7.5 Unless approved by the Shareholders in the manner set out in this section, the total number of Shares issued and to be issued in respect of all options and awards granted under this Scheme and any other share scheme(s) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Where any grant of Share Awards under this Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under this Scheme and any other share scheme(s) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining

17.03(4)
17.03D

from voting. A circular shall be sent to the Shareholders disclosing the identity of such Participant, the number and terms of the Share Awards to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting the Share Awards to the Participant and an explanation as to how the terms of the Share Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Share Awards to be granted to such Participant shall be fixed before the Shareholders' approval is sought.

- 7.6 The maximum number of Shares referred to in section 7 shall be adjusted, in such manner as the Auditors or the independent financial advisor of the Company retained for such purpose shall certify in writing to the Board to be appropriate, fair and reasonable, in the event of any alteration in the capital structure of the Company in accordance with section 8 by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company.

8. REORGANIZATION OF CAPITAL STRUCTURE AND SPECIAL DIVIDENDS

- 8.1 In the event of an alteration in the capital structure of the Company whilst any Share Award remains outstanding by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Share Award to the extent outstanding (and, if applicable, the purchase price for any Restricted Shares granted hereunder) as the Auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the Auditors or independent financial advisor (as the case may be) in this section is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company. 17.03(13)

To the extent not otherwise determined by the Board in accordance with section 8.1, the method of adjustment of the number of Share Award to the extent outstanding is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: "Q₀" represents the number of Share Award before the adjustment; "n" represents the ratio per Share resulting from the capitalization issue; "Q" represents the number of Share Award after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Share Award before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “Q” represents the number of Share Award after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Share Award before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Award after the adjustment.

To the extent not otherwise determined by the Board in accordance with section 8.1, the method of adjustment of the purchase price for Restricted Share is set out as below:

Capitalization issue

$$P = P_0 \div (1 + n)$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “P” represents the purchase price for Restricted Share after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “P” represents the purchase price for Restricted Share after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the purchase price for Restricted Share before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the purchase price for Restricted Share after the adjustment.

- 8.2 In respect of any adjustments required by section 8.1, other than any made on a capitalization of profits or reserves, the Auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.

- 8.3 If there has been any alteration in the capital structure of the Company as referred to in section 8.1, the Company shall 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 advisor 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 advisor as soon as practicable thereafter to issue a certificate in that regard in accordance with section 8.1.

9. SHARE CAPITAL

The grant of any Restricted Share award, or settlement of any RSU award, shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Board shall make available sufficient authorized but unissued share capital of the Company to meet subsisting requirements with respect to Share Awards granted hereunder.

10. ALTERATION OF THIS SCHEME

- 10.1 Subject to section 10.2, the Board may amend any of the provisions of this Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of this Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). 17.03(18)
- 10.2 Any alterations to the terms and conditions of this Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants, must be approved by Shareholders in general meeting. Any change to the terms of Share Awards granted to a Participant, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Share Awards was approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. This Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board, the Trustee or other administrator of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in general meeting.
- 10.3 Notwithstanding any provisions to the contrary in this Scheme, if on the relevant date of vesting of a Share Award there are restrictions or conditions imposed by the relevant laws and regulations to which the Grantee is subject and the Grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the receipt of and dealing in the Shares, the Grantee may sell the Share Awards to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the Share Awards are transferred to a connected person of the Company, no Shares shall be allotted and issued or transferred upon the vesting of the Share Awards by a connected person of the Company unless the Board is satisfied that the allotment and issue or transfer of Shares will not trigger any breach of the Listing Rules, the memorandum of association and articles of association of the Company or the Companies Act or the Takeovers Code.

11. TERMINATION

- 11.1 The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme prior to the expiry of the Scheme Period, and in such event no further Share Awards will be offered or granted but the provisions of this Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Share Awards which are granted during the life of this Scheme and remain outstanding immediately prior to the termination of the operation of this Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of this Scheme. For the avoidance of doubt, the following provisions shall apply: 17.03(16)
- (a) forthwith on the vesting of the Shares underlying the Share Awards last to vest hereunder all Returned Shares and any non-cash assets remaining in the trust fund of the Trust shall be sold by the Trustee, within twenty (20) business days (on which the trading of the Shares has not been suspended) (or within such other period as the Board may otherwise determine); and
 - (b) Residual Cash, Related Income, net proceeds of sale referred to in paragraph 11.1(a) and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph 11.1(a)).
- 11.2 Details of the Share Awards granted, including Share Awards settled or outstanding, under this Scheme, and (if applicable) Share Awards that become void or shall no longer be eligible to vest as a result of termination, shall be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after the termination of this Scheme.

12. MISCELLANEOUS

- 12.1 This Scheme shall not form part of any contract of employment between the Company or any of its subsidiary and any Grantee, and the rights and obligations of any such Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme and this Scheme shall afford such Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 12.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting the Share Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company. No person shall, under any circumstances, hold the Board and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.

- 12.3 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Trustee, the Auditors or the independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 12.4 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 or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address in Hong Kong as notified to the Company from time to time.
- 12.5 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered.

- 12.6 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and in the Cayman Islands, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding, vesting or settlement of any Share Award. By accepting an offer of the grant of a Share Award or any Shares issued pursuant thereto, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this section shall be a condition precedent to an acceptance of an offer of the grant of a Share Award by a Grantee and the issuance of any Shares to a Grantee pursuant thereto. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 12.7 Each Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the grant, vesting or settlement of any Share Award.
- 12.8 The Board shall have the 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 provisions of this Scheme. The Board may delegate any or all of its powers in relation to the administration and operation of this Scheme to the Remuneration Committee or other persons at its sole discretion. The Board shall also have the power

to delegate its powers to grant Share Awards to the Company's chief executive officer or other member of senior management from time to time, provided that such delegation may not include authority to grant awards to members of the Board or senior management.

- 12.9 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders generally.
- 12.10 The Company shall maintain all necessary books of accounts and records relating to this Scheme.
- 12.11 Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to a Share Award or otherwise) shall be referred to the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.
- 12.12 This Scheme and all Share Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.