

GENSCRIPT BIOTECH CORPORATION

RESTRICTED SHARE AWARD SCHEME

adopted by the Board of Directors of the Company on 23 August 2021,
amended by the Board of Directors of the Company on 26 May 2022
and
amended by the Shareholders of the Company on [17 May] 2024

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GENSCRIPT BIOTECH CORPORATION

(a company incorporated in Cayman Islands with limited liability)

RESTRICTED SHARE AWARD SCHEME

PREAMBLE

1. DEFINITIONS

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

Acknowledgement Form	shall have the meaning as defined in Section 6.2;
Actual Selling Price	means the actual price at which the Restricted Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Section 18, the consideration receivable under the related scheme or offer;
Adoption Date	means August 23, 2021, being the date on which the Scheme is adopted by the Board upon recommendation of the Remuneration Committee;
ADRs	shall have the meaning as defined in Section 6.3;
AFRC	means The Accounting and Financial Reporting Council;
Applicable Laws	means the legal requirements relating to the Scheme and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein;
Approval Date	[May 17], 2024, being the date on which the Scheme is approved by the Shareholders in general meeting;

associates	has the meaning ascribed to it in the Listing Rules;
Associated Company(ies)	means any company in which the Group has a direct or indirect investment and controls 20% or more of its voting powers;
Auditor(s)	means the auditor(s) for the time being of the Company;
Award	means an award granted by the Board to a Selected Participant, which may vest in the form of Restricted Shares or the Actual Selling Price of the Restricted Shares in cash, as the Board may determine in accordance with the terms of the rules of the Scheme;
Benefits	shall have the meaning as defined in Section 10.7;
Board	means the board of directors of the Company from time to time;
Business Day	means any day (excluding Saturday and Sunday) on which banks in Hong Kong generally are open for business and the Stock Exchange is open for the business of dealing in securities and the Shares;
CCASS	means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited;
close associate	shall have the meaning ascribed to it under the Listing Rules;
Code	shall mean the United States Internal Revenue Code of 1986, as amended;
Company	means Genscript Biotech Corporation, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 1548);
connected person(s)	has the meaning ascribed to it in the Listing Rules;
core connected person(s)	has the meaning ascribed to it in the Listing Rules;

Data	shall have the meaning as defined in Section 16.2;
Effective Date	the execution and effective date of the Trust Deed;
Eligible Participant(s)	means any (i) Employee Participant, (ii) Related Entity Participant, and/or (iii) Service Provider, provided that such entity (if applicable) under (iii) above is not a US Participant;
Employee Participant(s)	means any director or employee of the Company or any of its subsidiaries;
Group	means the Company and its subsidiaries from time to time;
Hong Kong	means the Hong Kong Special Administrative Region of the People's Republic of China;
Individual Limit	shall have the meaning as defined in Section 8.6;
Listing Rules	means The Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
Market Standoff Period	shall have the meaning as defined in Section 15.6;
Notice of Award	shall have the meaning as defined in Section 6.1;
Performance Target(s)	shall have the meaning as defined in Section 10.3;
PRC	means the People's Republic of China (for the purpose of the Scheme, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
Proxy	shall have the meaning as defined in Section 11.2;
Proxyholder	shall have the meaning as defined in Section 11.2;
Related Distributions	means all distributions in the form other than cash or Shares declared and distributed by the Company in respect of any Share (including nil

paid rights, bonus warrants, non-cash and non-scrip distributions) held upon the Trust not sold by the Trustee in accordance with the terms of the Scheme and remain valid under the terms and conditions attached thereto;

Related Entity(ies)

means any company which is a holding company or a fellow subsidiary (i.e. a subsidiary of a holding company) of the Company;

Related Participant(s) Entity

means any director or employee of any Related Entity or any Associated Company;

Related Income

means all income derived from any Share (including, but not limited to, dividends and other cash distributions, any bonus Shares and scrip Shares received in respect of the Share) held upon the Trust. For the avoidance of doubt, nil paid rights, bonus warrants, non-cash and non-scrip distributions are excluded;

Remuneration Committee

means the remuneration committee of the Company;

Residual Cash

means cash remaining in the Trust Fund and sale proceeds (including the cash proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of any Shares held upon the Trust), other than Related Income;

Returned Shares

means such Restricted Shares and Related Income relating thereto which are lapsed in accordance with the terms of the Scheme (whether as a result of a Total Lapse or otherwise), the Related Distributions of such Restricted Shares, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme and the cash distribution and dividends declared and distributed by the Company in respect of the Returned Shares;

Restricted Share(s)

means any Share that may be offered by the Company to any Selected Participant pursuant to the Scheme;

Scheme		means this restricted share award scheme, as the same may be amended, supplemented or otherwise modified from time to time;
Scheme Mandate Limit		shall have the meaning as defined in Section 8.1;
Scheme Period		shall have the meaning as defined in Section 17.1;
Section		means a section of this Scheme;
Securities Act		means the U.S. Securities Act of 1933, as amended;
Selected Participant(s)		means any Eligible Participant who shall receive offer(s) of Restricted Shares as designated by the Board in accordance with Section 6;
Service Provider(s)		dispatched workers, outsourced workers, consultants, advisers and suppliers who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in relation to the Group's principal business or business development of any member of the Group, as determined by the Board in its sole and absolute discretion (excluding any placing agent or financial adviser providing advisory services to the Group for fundraising, mergers or acquisitions, or professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity);
Service Sublimit	Provider	shall have the meaning as defined in Section 8.2;
SFC		means The Securities and Futures Commission;
SFO		the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
Share(s)		means shares of US\$0.001 each in the share capital of the Company (or of such other

	nominal amount as may result from a subdivision, consolidation, reclassification or reconstruction of such share capital from time to time) that are listed on the Stock Exchange;
Shareholder(s)	means the holder(s) of the Share(s)
Stock Exchange	means The Stock Exchange of Hong Kong Limited;
subsidiary	means a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong)) of the Company whether incorporated in Hong Kong or elsewhere;
Total Lapse	shall have the meaning as defined in Section 10.6;
Trust	means the trusts constituted by the Trust Deed;
Trust Deed	means the trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
Trust Fund	means: <ul style="list-style-type: none"> (a) any Shares acquired by the Trustee for the purpose of the Trust out of cash paid to the Trustee by way of settlement or otherwise contributed by the Company by way of allotment of new Shares; (b) all Residual Cash, Related Income and Related Distributions of, and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from, the Shares held by the Trust; and (c) all other properties from time to time representing (a) and (b) above;
Trustee	means an entity (which is independent of and not connected with the Company, and appointed by the Company as a trustee for the administration of the Scheme, including any additional or replacement trustee;

US\$	means United States dollars, the lawful currency of the United States of America;
US Participant(s)	means any Selected Participant who is a U.S. resident and/or is subject to U.S. tax pursuant to the Code;
U.S.	means United States of America;
Vesting Date	shall have the meaning as defined in Section 6.2(c);
83(b) Election	shall have the meaning as defined in Section 15.10; and
%	means per cent.

2. EFFECTIVE DATE

The Scheme shall take effect upon the Adoption Date.

3. PURPOSES OF THE SCHEME

3.1 The purposes of the Scheme are:

- (a) to provide the Selected Participants with the opportunity to acquire proprietary interests in the Company;
- (b) to encourage the Selected Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole; and
- (c) to provide the Company with a flexible means of retaining, incentivizing, compensating or providing benefits to the Selected Participants.

These rules set out the terms and conditions upon which the incentive arrangement for the Selected Participants shall operate.

4. TRUSTEE

- 4.1 In order to facilitate the implementation of the Scheme, the Trust Deed to be entered into between the Company and the Trustee, pursuant to which the Trustee shall hold and deal with the Trust Fund, if any.
- 4.2 The powers of the Trustee shall be limited as set forth in the Trust Deed.
- 4.3 The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the terms of the Scheme and the Trust Deed. Unless otherwise specified herein, the decision of the Board and the Trustee regarding the administration and operation of the Scheme shall be final and binding on all parties.

- 4.4 Notwithstanding anything to the contrary in this Scheme, Restricted Shares awarded to any US Participant will not be held by or issued through the Trust, and the Trustee will not be involved in the administration thereof.

5. DETERMINATION OF SELECTED PARTICIPANTS

- 5.1 Subject to Section 7, the Board may, at its sole discretion, determine which Eligible Participant shall be entitled to receive grants of Restricted Shares under the Scheme, together with the number of Shares to which each Selected Participant shall be entitled, and make the relevant grant of Restricted Shares to the Selected Participant under the Scheme.
- 5.2 The eligibility of any Eligible Participant to an Award shall be determined by the Board as to his/her contribution or potential contribution to the development of the Group. In determining the eligibility of an Eligible Participant, the Board may consider the following factors:
- (a) for an Employee Participant, (i) his/her skill, knowledge, experience, expertise and other relevant personal qualities, (ii) educational and professional qualifications, and knowledge in the industry, (iii) performance, length of employment with the Group, nature of duties and position within the Group, (iv) his/her adherence to the Group's culture and values, or (v) the contribution and potential contribution to the development of the Group;
 - (b) for a Related Entity Participant, (i) his/her actual or potential degree of involvement in and/or cooperation with the Group, and/or (ii) the contribution or potential contribution to the development of the Group;
 - (c) for a Service Provider, in general, (i) the actual or potential degree of involvement in or cooperation with the Group and length of collaborative relationship with the Group, (ii) the background, reputation and track record of the Eligible Participant, or (iii) the amount of actual or potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the development of the Group;
 - (d) specifically in respect of Service Providers in the category of dispatched workers and outsourced workers, (i) the individual performance of the Service Providers; (ii) the length of providing services and collaboration with the Group; (iii) his/her adherence to the Group's culture and values; (iv) the materiality and nature of duties and services providing to the Group; (v) whether such services form part of or are directly ancillary to the business conducted by the Group;
 - (e) specifically in respect of Service Providers in the category of consultants and advisers, (i) the expertise, skills, technical know-how and professional qualification, (ii) the experience and network of the Service Provider in the relevant industry; (iii) the prevailing market fees chargeable by other consultants and advisers; and (iv) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects align with the needs of Group's principal business and strategic development goals; and

- (f) specifically in respect of Service Providers in the category of suppliers, (i) the reliability and quality of the services supplied to the Group; (ii) the frequency of collaboration and length of business relationship with the Group; (iii) the scale and type of the Service Providers' collaboration and business dealings with the Group (such as whether they established or potential to establish long-term and strategic collaboration with the Group relate to the core business of the Group).

6. GRANT AND ACKNOWLEDGEMENT OF RESTRICTED SHARES UNDER THE SCHEME

- 6.1 The Company will notify each relevant Selected Participant of his/her entitlement to the Restricted Shares by way of a notice in substantially the form set out in Schedule 1 (each, a "**Notice of Award**").
- 6.2 A Selected Participant may accept the grant of an Award by delivering a duly completed acknowledgement form as set out in Schedule 2 (each, an "**Acknowledgement Form**"), together with the relevant payment (if any) and provision of documents (if any) as stipulated in the Notice of Award within 21 calendar days after the delivery of the relevant Notice of Award, pursuant to which the Selected Participant agrees to the terms and conditions of that Notice of Award and the Scheme. Upon the reception of the duly completed Acknowledgement Form from the Selected Participant, the Company will inform the Trustee in writing of the following information (for the Selected Participants other than the US Participants):
 - (a) the name and passport or identity card number (or the number of such other personal identity document), together with a copy of the relevant personal identity document, of the Selected Participant and whether the Selected Participant is a connected person of the Company;
 - (b) the number and tranches of the Restricted Shares to be granted to the Selected Participant;
 - (c) the vesting scale and date(s) (each, a "**Vesting Date**") of each tranche of the Restricted Shares to be granted to the Selected Participant; and
 - (d) other terms and conditions of the grant of the Restricted Shares as may be imposed by the Board (if any), including any performance targets relating to the achievement of Company-wide, business unit or individual goals, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the Scheme.
- 6.3 For Selected Participants other than US Participants, the Restricted Shares shall be satisfied by (i) existing Shares to be acquired by the Trustee on the market, and/or (ii) new Shares to be allotted and issued to the Trustee by the Company within the Scheme Mandate Limit (and Service Provider Sublimit thereunder), in both cases the costs of which will be borne by the Company, subject to Section 14 below. For US Participants, any Restricted Shares granted hereunder may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws), Shares purchased on the open market or, at the discretion of the Board,

American Depositary Shares (“**ADRs**”) so long as such ADRs represent “property” for purposes of Section 83 of the Code.

- 6.4 The Company shall cause sufficient funds to be made available to the Trustee for the proper administration and operation of the Scheme in accordance with the terms hereof and the Trustee shall, subject to the foregoing and Section 9, upon receipt of written instruction from the Company, purchase Shares in the open market at the prevailing market price reasonably obtainable by it, or at a price within the price range specified by the Company, and deposit the same into CCASS for credit to the CCASS participant account of or designated by, the Trustee. In the case of new Shares to be allotted and issued to the Trustee by the Company, the Company shall cause sufficient new Shares to be made available to the Trustee for the proper administration and operation of the Scheme in accordance with the terms hereof.
- 6.5 The Trustee shall hold all Shares acquired by it under Section 6.3 for the benefit of the Selected Participants and deal with such Shares pursuant to the terms of the Scheme.
- 6.6 If the Company does not receive a properly completed Acknowledgement Form from any Selected Participant together with the relevant payment (if any) and provision of documents as may be stipulated in the related Notice of Award within 21 calendar days after the delivery of that Notice of Award to such Selected Participant, the grant of Restricted Shares to such Selected Participant shall be deemed to have lapsed.
- 6.7 No grant of any Restricted Share shall be made to any Selected Participant under the Scheme 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.
- 6.8 No grant of Restricted Shares at any time during the period commencing one month immediately before the earlier of:
 - (a) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No Restricted Shares shall be granted during any period of delay in publishing a results announcement.
- 6.9 Unless 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 Award which shall be stated in the Notice of Award, the Selected Participant is not required to pay any grant price or make any other payment to the Company to accept an Award granted.

7. GRANT OF AWARD

- 7.1 The Board shall, at its sole discretion, select from among the Eligible Participants those persons who will be entitled to receive Restricted Shares under the Scheme, determine the number of the Restricted Shares that each Selected Participant will be entitled to be granted.
- 7.2 The selection of the Selected Participants and determination of the number of the Restricted Shares to which each Selected Participant will be entitled will be made pursuant to a resolution of the Board.
- 7.3 Any proposed grant of the Restricted Shares 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 the proposed Selected Participant of the Restricted Shares).

8. MAXIMUM NUMBER OF SHARE GRANTS

- 8.1 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 pursuant to the Scheme and any other share schemes adopted by the Company shall not exceed in total ten per cent (10%) of the Shares in issue as at the Approval Date, being [212,405,257] Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of the Shareholders to refresh the Scheme Mandate Limit in accordance with Section 8.3. Restricted Shares which have lapsed in accordance with the terms of the Scheme without Shares being issued and options and awards lapsed in accordance with any other share schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).
- 8.2 Subject to Section 8.1, 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 the Scheme and any other share schemes adopted by the Company to the Service Providers shall not exceed in total [21,240,526] Shares, representing one per cent (1%) of the Shares in issue as at the Approval Date (the “**Service Provider Sublimit**”).
- 8.3 The Company may seek the approval of the Shareholders at a general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit thereunder) after three (3) years from the date of the Shareholders’ approval for the last refreshment, 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 the Scheme and any other share schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed ten per cent (10%) of the Shares in issue as at the date of the aforesaid approval for refreshment by the Shareholders in a general meeting. Options, awards and Awards lapsed in accordance with the terms of the 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 the number of options and awards

that were already granted under the existing Scheme Mandate Limited and the existing Service Provider Sublimit, and the reason for the refreshment.

- 8.4 Any refreshment within any three-year period as provided in Section 8.3 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.

- 8.5 Without prejudice to Section 8.4 and Section 9.3, the Company may also seek separate approval of the Shareholders in general meeting for granting any Awards beyond the Scheme Mandate Limit, or if applicable, the refreshed limit as referred to in Section 8.3 above, provided that the Awards in excess of the Scheme Mandate Limit are granted only to Selected 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 Selected Participant who may be granted such Awards, the number and terms of the Awards to be granted to each specified Selected Participant, the purpose of granting Awards to the specified Selected Participants with an explanation as to how the terms of the Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Awards to be granted to such Participant must be fixed before Shareholders' approval.
- 8.6 Unless approved by the Shareholders in the manner set out in this Section 8, 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 schemes of the Company to each Selected Participant in any 12-month period shall not exceed one per cent (1%) of the Shares in issue (the "**Individual Limit**"). Where any grant of the Award under the Scheme to a Selected Participant would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under the Scheme and any other share schemes of the Company to such Selected Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme or any other share schemes 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 Selected Participant and his/her close associates (or his/her associates if the Selected

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

- 8.7 Where any grant of the Award (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 options, awards and Awards involving issue of new Shares already granted under the Scheme and any other share schemes of the Company (excluding any options, awards or Awards lapsed in accordance with the terms of the Scheme or any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over zero point one per cent (0.1%) of the Shares in issue as at the date of grant, such further grant of Award shall be approved by the Shareholders (voting by way of poll) in general meeting with his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.
- 8.8 Where any grant of the Award to an independent non-executive director or a substantial Shareholder of the Company (or any of their respective associates) would result in number of the Shares issued and to be issued in respect of all options, awards and Awards involving issue of new Shares already granted under the Scheme and any other share schemes of the Company (excluding any options, awards or Awards lapsed in accordance with the terms of the Scheme or any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over zero point one per cent (0.1%) of the Shares in issue as at the date of grant, such further grant of Award shall be approved by the Shareholders in general meeting with his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.
- 8.9 The Scheme Mandate Limit is subject to the adjustment in the event of consolidation or subdivision of Shares. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and the Service Provider Sublimit have been approved in general meeting, the maximum number of Shares that may be issued in respect of all options, awards and Awards to be granted under the Scheme and any other share schemes of the Company that involve(s) the issuance of new Shares under the Scheme Mandate Limit and the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

8A REORGANISATION OF CAPITAL STRUCTURE

- 8A.1 In the event of an alteration in the capital structure of the Company whilst any Award remains outstanding by way of capitalisation issue, rights issue, subdivision

or consolidation of shares, or reduction of the share capital of the Company (other than an issue of Shares as consideration in a transaction), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Award to the extent outstanding (and, if applicable, the purchase price for any Restricted Shares granted under the Scheme) 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 Selected Participant, to be in their opinion fair and reasonable, provided that any such adjustments give each Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that the Selected Participant was previously entitled prior to such adjustments, so that no such adjustments be made to the extent that a Share would 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 Selected Participants. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company.

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

Capitalization issue

$$Q = Q0 \times (1 + n)$$

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

Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of 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 Award after the adjustment.

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

$$Q = Q0 \times n$$

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

- 8A.2 In the event the Company undertakes a consolidation of the Shares, all fractional share arising out of such consolidation in respect of all Restricted Shares and

Related Income relating thereto of a Selected Participant shall be deemed as Returned Shares for the purposes of the Scheme and shall not be transferred to the relevant Selected Participant at any time.

9. ISSUE OF SHARES TO THE TRUSTEE AND RESTRICTIONS ON PURCHASES BY TRUSTEE

- 9.1 Subject to Section 9.5, the Company shall, for the purposes of satisfying the grant of an Award, issue and allot Shares to the Trustee and/or transfer to the Trust the necessary funds and instruct the Trustee to acquire Shares on the market at the prevailing market price or at price within a specified price range. Subject to Section 18, the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Award made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Award granted, the Company shall, subject to Section 9.3, for purposes of satisfying the Award granted, issue and allot further Shares to the Trustee and/or transfer to the Trust the necessary funds and instruct the Trustee to acquire further Shares on the market at the prevailing market price or at price within a specified price range.
- 9.2 Where the Trustee has received instructions from the Company to acquire Shares on the market, the Trustee shall acquire such number of Shares as instructed by the Company on the market at the prevailing market price or at price within a specified price range as soon as reasonably practicable after receiving the necessary funds from the Company.
- 9.3 For the avoidance of doubt, the Company shall not issue or allot Shares in excess of the number allowed pursuant to the Scheme Mandate Limit or otherwise in breach of the provisions of this Scheme or the Listing Rules.
- 9.4 The Trustee shall only be obliged to transfer the Restricted Shares to the Selected Participant on vesting to the extent that the Restricted Shares are comprised in the Trust.
- 9.5 The Company shall comply with the applicable Listing Rules when issuing new Shares and application will be made to the Stock Exchange for granting of the listing of, and permission to deal in, the new Shares to be issued. The Company shall not issue or allot Shares, nor instruct the Trustee to acquire Shares on the market at the prevailing market price or at price within a specified price range, where such action (as applicable) is prohibited under the Listing Rules, the SFO or other applicable laws from time to time or where such action (as applicable) would render the Company the subject of a mandatory offer under the Codes on Takeovers and Mergers from time to time. Where such a prohibition causes the prescribed timing imposed by the rules of the Scheme or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.
- 9.6 The Trustee shall not purchase Shares from the market under the Scheme during the period in which no grant of Award under the Scheme may be made pursuant to Section 6.7.

- 9.7 Notwithstanding anything to the contrary in this Scheme, any Restricted Shares awarded to US Participants will not be held or issued through the Trust. Such Restricted Shares shall be issued directly to and held by such US Participant directly and not by the Trustee or in the Trust.

10. VESTING OF RESTRICTED SHARES AND PERFORMANCE TARGET

- 10.1 Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions set forth in the Notice of Award issued to the Selected Participants, unless otherwise permitted under Section 10.2, Section 10.7 and Section 18.1, and shall be subject to a vesting period as determined by the Board, which shall be at least twelve (12) months commencing from (and including) the date of grant.
- 10.2 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:
- (a) grants of “make-whole” Awards to an Employee Participant who is a new joiner to replace the share awards or options they forfeited when leaving their previous employers;
 - (b) the unvested Awards granted to an Employee Participant may vest with the Employee Participant or the legal personal representatives of the Employee Participant (in the case of death) within a period of twelve (12) months from the date of termination of the employment of the Employee Participant if such termination is due to disability or death of the Employee Participant, provided that the Employee Participant had been continuously a director or an employee of any member of the Group from the date of grant until the date of termination of employment of such Employee Participant;
 - (c) in the event that it is not practicable for the Employee Participant to be granted the Award in a planned grant period due to legal or regulatory restrictions, such that the Award which should have been granted earlier are granted together with a subsequent batch of Awards to the remaining Employee Participants during a calendar year, the vesting period for the Award underlying the delayed grant can be shorter than twelve (12) months from the date of grant to reflect the time from which such Award would have been granted;
 - (d) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months, or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the date of grant and the last batch to vest twelve (12) months after the date of grant;
 - (e) grants with performance-based vesting conditions provided in the Scheme or as set out in the Notice of Award in lieu of time-based vesting criteria; or
 - (f) grants with a total vesting and holding period of more than twelve (12) months.

- 10.3 The Board may, on a case-by-case basis and at its sole and absolute discretion when offering the grant of an Award, determine performance targets, criteria or conditions for vesting of Restricted Shares as it deems appropriate (the “**Performance Target(s)**”). Any such Performance Targets shall be set out in the Notice of Award. For the avoidance of doubt, an Award shall not be subject to any Performance Targets if none is set out in the Notice of Award. The Board shall have the authority, after the grant of any 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.

The Performance Targets may comprise a mixture of achieving key performance indicators component including, without limitation, (i) the overall business goals of the Group by reference to annual revenue growth rate, gross profit and/or the Group’s core competitiveness goals attained, (ii) individual performance based on the performance appraisal within a specific period (such as in the previous year), which may vary among the Selected Participants considering their different roles and contributions, and/or (iii) the individual’s adherence to the Company’s culture and values.

The Board will conduct assessment at the end of the performance period by comparing the actual performance level against the pre-agreed goals to determine whether the targets and the extents to which have been met.

- 10.4 Subject to the terms of the Scheme, any Restricted Shares granted but not vested may be cancelled if the Selected Participant so agrees and new Restricted Shares may be granted to the Selected Participant provided such new Restricted Shares are granted within the Scheme Mandate Limit and the Service Provider Sublimit and in compliance with the terms of the Scheme. The Restricted Shares so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).

- 10.5 For the purposes of vesting of the Award, the Board may either:

- (a) direct and procure the Trustee to release from the Trust the Restricted Shares to the Selected Participants by transferring the number of Restricted Shares to the Selected Participants in such manner as determined by the Board from time to time; or
- (b) to the extent that, at the determination of the Board or its delegate(s), it is not practicable for the Selected Participants to receive the Restricted Shares in Shares solely due to legal or regulatory restrictions with respect to the Selected Participant’s ability to receive the Restricted Shares in Shares or the Trustee’s ability to give effect to any such transfer to the Selected Participant, the Board or its delegate(s) will direct and procure the Trustee to sell, on the market at the prevailing market price or at price within a specified price range, the number of Restricted Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the Actual Selling Price of such Restricted Shares.

- 10.6 In the event that prior to or on the Vesting Date in respect of a Selected Participant: (i) the relevant Selected Participant ceases to be an Eligible Participant for the reasons of, among others, the employment or service contract of the Selected Participant is terminated for whatever reason; (ii) the Selected Participant has been convicted for any criminal offence involving his/her integrity or honesty; (iii) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in the PRC, Hong Kong or any other applicable laws or regulations in force from time to time; (iv) the Selected Participant has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; (v) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally; (vi) the Selected Participant is deceased or becomes mentally incapacitated, subject to the provisions of Section 10.7 below; (vii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (viii) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date (each of the above, an event of the “**Total Lapse**”), save as determined otherwise by the Board at its sole discretion, the Award (to the extent not already vested) shall automatically lapse and the Restricted Shares will not vest on the relevant Vesting Date. The Board shall have the power to decide whether an Award shall lapse pursuant to this Section 10.6 and its decision be binding and conclusive on all parties. The Company shall not owe any liability to any Selected Participant for the lapse of any such Award.
- 10.7 In the event of the death or incapacitation of a Selected Participant, the Trustee shall hold (a) the Restricted Shares vested before the death or incapacitation of such Selected Participant, (b) the Restricted Shares to be vested within a period of twelve (12) months following the death or incapacitation of such Selected Participant, and (c) the Related Income relating to items (a) and (b) accrued after vesting (hereinafter referred to as the “**Benefits**”) on trust, and will transfer the same to the legal personal representatives of the Selected Participant, subject to and to the extent permitted under all applicable laws and regulations, provided that if the Trustee is not allowed or otherwise unable to transfer the Benefits to the legal personal representatives of the Selected Participant within (i) two (2) years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree in writing from time to time) or (ii) the trust period as defined in the Trust Deed (whichever is shorter) whereupon, or if the Benefits would otherwise become bona vacantia, the Benefits shall be immediately forfeited and cease to be transferable to the legal personal representatives of the Selected Participant, and such Benefits shall be held as Returned Shares for the purposes of the Scheme.
- 10.8 Notwithstanding anything to the contrary in this Scheme, with respect to any US Participants, the Restricted Shares shall become vested as follows and the following rules shall apply:

- (a) The US Participant must continue to have employment or service with the Company through the vesting condition(s) set forth in the US Participant's Form of Notice of Award, in order for the specified portion of the US Participant's Restricted Shares to become "fully vested". Upon such Restricted Shares becoming "fully vested", all continued employment or service restrictions on such Restricted Shares shall lapse. Each Award will constitute an immediate transfer of the ownership of Restricted Shares to the Selected Participant in consideration of the performance of services, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter described.
- (b) Upon the termination of the US Participant's employment or service with the Company, any Restricted Shares that have not become "fully vested" shall immediately be forfeited and the US Participant shall cease immediately to be entitled to any of his/her rights and benefits to the Restricted Shares previously granted that were not "fully vested."
- (c) The Board shall not have the discretion to delay the vesting schedule of any previously granted Restricted Shares beyond the time periods set forth in this Section 10.8, except as otherwise permitted under Section 409A of the Code.
- (d) No dividends (or dividend equivalents) with respect to any Restricted Shares shall be paid to a US Participant unless and until such Restricted Share is "fully vested".
- (e) To the extent applicable, it is intended that this Scheme and the Awards granted hereunder to US Participants be exempt from the provisions of Section 409A of the Code. This Scheme shall be administered in a manner consistent with this intent, and any provision that would cause any Award to a US Participant under this the Scheme to fail to satisfy Section 409A of the Code shall have no force or effect until amended to be exempt from or comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the US Participant). Notwithstanding the foregoing, the Company is not guaranteeing any particular U.S. tax outcome, and the US Participants shall remain solely liable for any and all tax consequences associated with the Restricted Shares.

10A. CLAWBACK

10A.1 Notwithstanding the terms and conditions of the Scheme, the Board has the authority to provide that any Award shall be subject to a clawback if any of the following events occurs:

- (a) if the Selected Participant ceases to be an Eligible Participant by reason of the termination of his/her employment or engagement with the Group or any Related Entity on the grounds that (i) he/she has been guilty of fraud or dishonesty or persistent or serious misconduct or commits any wilful disobedience or non-compliance with the terms of such employment or engagement, whether the Group or any Related Entity suffers any loss from such misconduct or not, (ii) for an Employee Participant or Related Entity Participant, he/she commits any wilful disobedience or non-compliance with

instructions given by any member of the Group or engages in any other conduct that results in significant damage to the reputation or standing of the Group or causes damages to the Group, (iii) appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has become bankrupt or has made any arrangement or composition with his/her creditors generally, or (iv) for an Employee Participant or Related Entity Participant, he/she has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment summarily;

- (b) if the Selected Participant (being a Service Provider) commits any serious misconduct, fraud, criminal wrongdoing, wilful misconduct, gross negligence, material breach of the terms of his/her or its consultation or service or other contract with any member of the Group, which entitle any member of the Company to terminate the contracts with such Service Provider on ground(s) for breach of contracts;
- (c) if there being a material misstatement in the audited financial statements of the Company that requires a restatement; and
- (d) if any other clawback event implicitly or explicitly characterized in the Notice of Award occurs.

10A.2 The Board may by notice in writing to the Selected Participant concerned claw back such number of Restricted Shares (vested and/or unvested) granted as the Board may consider appropriate, without liability on the part of the Company. The Restricted Shares that are clawed back pursuant to Section 10A.1 will be regarded as cancelled and the Restricted Shares so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).

10A.3 Where any Award granted to the Selected Participant has already been vested at the time when such Award is clawed back pursuant to Section 10A.1 above, the Selected Participant shall return, by the Board's determination at its sole and absolute discretion, either (i) the exact number of vested and clawed back Share(s), (ii) the monetary amount equivalent to the value of the relevant Share(s) on the date of grant, (iii) the monetary amount equivalent to the value of the relevant Share(s) on the Vesting Date, or (iv) the monetary amount equivalent to the value of the relevant Share(s) on the date of such clawback.

10A.4 Where any Award granted to a Selected Participant is unvested at the time when such Award is clawed back pursuant to Section 10A.1 above, such Award subject to clawback will be cancelled on the date as determined by the Board and the relevant Restricted Shares will not vest on the relevant Vesting Date.

10A.5 In the event the Company exercises its right to claw back the Restricted Shares from a Selected Participant pursuant to Section 10A.1, such Selected Participant shall not be entitled to any compensation or damages in consequence of his/her Restricted Shares having been clawed back by the Company.

11. VOTING, DIVIDEND AND OTHER RIGHTS

- 11.1 In respect of any Restricted Shares that have not yet vested and transferred, the Selected Participant may not exercise any of the voting rights on such Restricted Shares. For the avoidance of doubt, whilst and for so long as the Restricted Shares are held by the Trustee, the Trustee shall not exercise any voting rights in respect of any Shares held under the Trust (including but not limited to the Restricted Shares, the Shares underlying the Restricted Shares, the Returned Shares, any bonus Shares and script Shares derived therefrom). In particular, the Trustee holding unvested Restricted Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such direction is given.
- 11.2 In respect of any Restricted Shares that have vested and been transferred to the relevant Selected Participant, such Selected Participant shall delegate his/her voting rights, to the fullest extent permitted by law, to GenScript Corporation (the "**Proxyholder**") pursuant to the proxy form executed by the Selected Participant, substantially in the form set out in Schedule 3, whereby the Proxyholder shall have the sole and exclusive attorney and proxy of the Selected Participant, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the fullest extent that the Selected Participant is entitled to do so) with respect to such Restricted Shares (the "**Proxy**").
- 11.3 Subject to the terms of the Proxy, after the vested Restricted Shares have been transferred from the Selected Participant to any third party, such third party shall be entitled to exercise all voting rights in respect of such Restricted Shares and the Proxy shall immediately cease to have effect after such transfer.
- 11.4 Subject to Sections 11.2 and 11.3, the Shares to be allotted and issued pursuant to any Award shall be identical to the then existing issued Shares of the Company and subject to all the provisions of the memorandum 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 on which those Shares are allotted and/or transferred upon the vesting of the Award and accordingly shall entitle the holders the same voting right, the right of transfer, the right to the Selected Participant in all dividends or other distributions paid or made after the date on which the underlying Shares are allotted and/or transferred, and other rights, including those rising on liquidation as attached to other fully-paid Shares in issue upon vesting, save and except in respect of any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted and/or transferred, provided always that when the Vesting Date of the Award falls on a date upon which the register of members is closed then the vesting of the Award shall become effective on the first Business Day in Hong Kong on which the register of members is re-opened.

12. RIGHTS PERSONAL; NO TRANSFERS

- 12.1 Any Award granted under the Scheme is personal to such Selected Participant and cannot be assigned or transferred.

- 12.2 Any attempt by each Selected Participant to sell, transfer, charge, mortgage, grant, encumber or create any interest in favour of any third party over the Restricted Shares outstanding and unvested to which he/she is entitled shall be null and void, except in accordance with the Scheme.

13. DECISIONS ARE FINAL

- 13.1 All decisions and determinations of the Company, the Board and/or the person(s) to which the Board delegated its authority, as the case may be, made under the Scheme will be final and conclusive and binding on the Selected Participant.
- 13.2 The Board has the power to administer the Scheme, including the power to construe and interpret the rules of the Scheme, the terms of the Award granted under the Scheme. The Board may delegate the authority to administer the Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the Scheme as they may think fit. If there is such delegation of authority to a committee of the Board, the references to “the Board” shall be construed as references to such committee of the Board to the effect that such committee of the Board may administer the Scheme as appropriate.

14. COSTS

- 14.1 The Trustee will be entitled to be reimbursed by the Company, subject to the Company’s prior written approval, for all administrative, professional and other costs, fees and expenses reasonably and properly incurred in relation to the administration and operation of the Scheme (including, without limitation, holding of and dealing with the Restricted Shares under the Scheme).

15. GENERAL

- 15.1 The rights and obligations of a Selected Participant under the terms and conditions of office or employment or services engagement with the Company or otherwise will not be affected by his/her participation in the Scheme.
- 15.2 A Selected Participant will be responsible for obtaining, or complying with any requirements to be fulfilled in order to obviate the necessity to obtain, any governmental or other official consent that may be required by any country or jurisdiction in order to participate in the Scheme. The Company and the Trustee, or any of them, will not be responsible whatsoever for any failure by a Selected Participant to obtain any such consent or for any tax or other liability to which a Selected Participant may become subject as a result of his/her participation in the Scheme.
- 15.3 Any notice or other document required to be given hereunder to any Selected Participant will be delivered to it by hand or by electronic means or sent by post to it at his/her address according to the records of the Company or the Trustee, as the case may be, from time to time. Any notice or other document to be given to the Company and/or the Trustee must be delivered by hand or by electronic means or sent by post to their respective address as set out (in the case of the Company) in

the Acknowledgement Form and (in the case of the Trustee) in the Notice of Award, or such other address as may be notified by the Company and/or the Trustee to any Selected Participant in writing from time to time.

15.4 Any notice or other communication served by post:

- (a) by the Company or the Trustee shall be deemed to have been served twenty four (24) hours after the same was posted; and
- (b) by the Selected Participant shall not be deemed to have been received until the same shall have been received by the Company or, as the case may be, the Trustee.

15.5 Any participation in the Scheme is voluntary.

15.6 Lock-Up Period. A Selected Participant shall agree that, if so requested by the Company in connection with any registration of the offering of any securities of the Company under the Securities Act or any applicable United States state laws, the Selected Participant shall not sell or otherwise transfer any Shares or other securities of the Company during the 180-day period (or such longer period as may be agreed to in writing by the Company) following the effective date of a registration statement of the Company filed under the Securities Act in connection with any initial public offering of Shares (the “**Market Standoff Period**”). The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period and these restrictions shall be binding on any transferee of such Shares. Notwithstanding the foregoing, the 180-day period may be extended for up to such number of additional days as is deemed necessary by the Company.

15.7 Legends and Stop-Transfer Orders.

- (a) Legends. The Company shall cause the legends set forth below or legends substantially similar thereto, to be placed upon any certificate(s) evidencing ownership of the Restricted Shares together with any other legends that may be required by United States state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE “ACT”) OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND SUCH LAWS OR, IN THE OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

- (b) Stop-Transfer Notices. In order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

- (c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Scheme or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.
- 15.8 Mandatory Transfer by Selected Participants. Unless otherwise waived by the Board, a Selected Participant shall agree that, in the event that the employment or service contract of the Selected Participant with the Company or any member of the Group has been terminated, any Share that has been transferred to the Selected Participant in his/her own name or held by the Trustee on his/her behalf (as the case may be) as a result of the vesting of any Restricted Share pursuant to this Scheme shall be sold to third parties at the then market price within thirty (30) calendar days of such termination of employment or services, subject to any black out period restrictions under Applicable Laws, where such thirty-day (30-day) period shall be counted (i) from the date after such termination of employment or service until the end of thirty-day (30-day) thereafter, or (ii) from the date after such termination of employment or service until the date before the commencement of the black out period and shall continue to be counted from the date after the last day of the black out period (as the case may be).
- 15.9 Taxes. Upon any event that would result any income or employment tax withholding obligations arising under Applicable Law with respect any Award, the Selected Participant must promptly make arrangements acceptable to the Board for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any subsidiary shall have the authority and the right to deduct or withhold, or require a Selected Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Selected Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Selected Participant arising as a result of the Scheme. The Board may in its discretion and in satisfaction of the foregoing requirement allow a Selected Participant to elect to have the Company reduce, withhold or sell Shares otherwise issuable under an Award (or allow the return of Shares) having a fair market value limited to the sums required to be reduced, withheld or sold, provided that in the reasonable opinion of the Board such number of Shares shall be sufficient to cover such liability. Notwithstanding any other provision of the Scheme, the number of Shares which may be reduced, withheld or sold with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Selected Participant of such Award after such Shares were acquired by the Selected Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Selected Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Board, be limited to the number of Shares which have a fair market value on the date of withholding or repurchase limited to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income, provided that in the reasonable opinion of the Board such number of Shares shall be sufficient to cover such liability.

- 15.10 Section 83(b) Election. Within thirty (30) days following the date of grant, a US Participant may make an election with the U.S. Internal Revenue Service to be taxed at the time the Restricted Shares are acquired (rather than when and as they vest) under Section 83(b) of the Code (an “**83(b) Election**”). Any such US Participant acknowledges that it is the US Participant’s sole responsibility (and not the Company’s or any other person’s) to timely file the 83(b) Election, if the US Participant so chooses. If a US Participant makes an 83(b) Election, the US Participant must provide the Company with evidence of such 83(b) Election within five (5) Business Days of making such election.

16. CONFIDENTIALITY; DATA PRIVACY

- 16.1 All information pertaining to the grant of Restricted Shares to Selected Participants must be kept confidential by the Selected Participants. Selected Participants must not make any copies of the Scheme documents or show any such documents to any other person (other than such Selected Participant’s legal, tax or investment advisor) without written authorisation from the Company.
- 16.2 The Company and the Trustee may hold certain personal information about the Selected Participants, including, but not limited to, name, home address and telephone number, date of birth, identity card number, passport number, salary, nationality, job title, any Shares of stock or directorships held in the Company, details of documentation relating to the Restricted Shares, for the purposes of implementing, administering and managing the Scheme (together, “**Data**”). As a condition of the grant of the Restricted Shares, Selected Participant must consent to the collection, use, retention and transfer of personal Data.
- 16.3 The Trustee and the Company may transfer Data amongst themselves for the purposes of implementing, administering and managing the Scheme and as may be necessary to comply with any relevant securities, tax, stock exchange or other law or requirement, and the Trustee and the Company may each further transfer Data to any third parties assisting the Company and/or the Trustee in the implementation, administration and management of the Scheme and who have a duty of confidentiality to the Company or the Trustee. These recipients may be located in mainland China, Hong Kong or overseas. By participating in the Scheme, the Selected Participants authorise such parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Scheme.

17. TERM

- 17.1 The Scheme shall commence on the Adoption Date and terminate upon the expiry of the period of ten (10) years from such date (the “**Scheme Period**”), unless terminated earlier by a resolution of the Board. In the event of any termination of the operation of the Scheme before its life, the provisions of the Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Awards which are granted during the life of the Scheme and remain outstanding immediately prior to the termination of the operation of the Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of the Scheme.

- 17.2 Upon termination (whether due to early termination or upon expiry of the Scheme Period) of the Scheme, no further Restricted Shares shall be granted. The Company shall notify the Trustee of such termination in writing forthwith.
- 17.3 The Board may, at its sole discretion, decide to extend the Scheme Period with such modifications or amendments to any of the terms herein as the Board thinks fit.
- 17.4 On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under the Scheme (whichever is later), the Trustee shall sell all Returned Shares and non-cash income remaining in the Trust, if any, and remit the proceeds of sale of the same together with any Residual Cash accrued in the Trust, after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed, to the Company forthwith after the sale.
- 17.5 For the avoidance of doubt, the Trustee may not in any event transfer any Shares to the Company upon termination of the Scheme.

18. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND, SCHEME, AND OTHER CORPORATE EVENTS

- 18.1 If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the outstanding Restricted Shares shall immediately vest in the respective Selected Participant on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the Vesting Date. For the purpose of this Section 18.1, “**control**” shall have the meaning as specified in the Codes on Takeovers and Mergers from time to time.
- 18.2 In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the Scheme, the Trustee shall not subscribe for any new securities. In the event of a rights issue, the Trustee shall use reasonable effort to sell such amount of the nil-paid rights allotted to it as is appropriate in the open market (if any) at the then prevailing market price and the proceeds of sale of such rights (net of all related transaction costs, fees, duty and expenses reasonably incurred by the Trustee) shall be deemed as Residual Cash.
- 18.3 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 use reasonable effort to sell the bonus warrants created and granted to it in the open market (if any) at the then prevailing market price, the proceeds of sale of such bonus warrants (net of all related transaction costs, fees, duty and expenses reasonably incurred by the Trustee) shall be deemed as Residual Cash.
- 18.4 In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and such Shares will be held as Returned Shares.
- 18.5 In the event of other non-cash and non-scrip distributions made by the Company in respect of any Restricted Shares comprised in the Trust Fund held upon the Trust,

the Trustee shall use reasonable effort to dispose of such distribution and the net sale proceeds thereof shall be deemed as Residual Cash.

19. GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS

- 19.1. The Scheme, including any Notice of Award and Acknowledgment Form, will be governed by and construed in accordance with the laws of Hong Kong and, by accepting participation in the Scheme by delivery to the Company of a duly completed Acknowledgement Form, the Selected Participant agrees that the courts of Hong Kong will have exclusive jurisdiction to settle any dispute, difference, controversy or claim which may arise out of or in connection with the creation, validity, effect, interpretation or performance of, or the legal relationship created by, the Scheme and for such purposes irrevocably submits to the jurisdiction of the Hong Kong courts.

20. ALTERATION OF THE SCHEME

- 20.1. Subject to Section 20.2, any provision of the Scheme may be altered or varied in any respect by a resolution of the Board, provided that such alterations or variations are made in compliance with the memorandum and articles of association of the Company, the Listing Rules and Applicable Laws.
- 20.2. Any alterations to the terms and conditions of the 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 the Selected Participants, must be approved by the Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms of the Scheme is material shall be conclusive. Any change to the terms of Awards granted to a Selected Participant shall 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 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 the Scheme. The amended terms of the Scheme or Award shall comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board, the Trustee or other administrator of the Scheme in relation to any alteration to the terms of the Scheme shall be approved by the Shareholders in general meeting.

21. MISCELLANEOUS

- 21.1 The Scheme shall not form part of any contract of employment or engagement of services between the Company or any of its subsidiaries and any Selected Participant and the rights and obligations of the Selected Participant under the terms of his/her office, employment or engagement shall not be affected by his/her participation in the Scheme or any right which he may have to participate in it and the Scheme and shall afford such Selected Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement of services for any reason.

- 21.2 The Scheme shall not confer on any person any legal or equitable rights against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 21.3 For the avoidance of doubt:
- (a) a Selected Participant shall have no rights in any of the Related Income, the Residual Cash or the Returned Shares or any Related Income of the Returned Shares, all of which shall be retained by the Trustee for the benefit of the Scheme;
 - (b) a Selected Participant shall have no rights in any balance fractional share of the Related Income of any Award and any fractional Share arising out of consolidation of Shares (such fractions shall be deemed as Returned Shares for the purposes of the Scheme); and
 - (c) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participants is made within the period prescribed in Section 10.7. The legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee.
- 21.4 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme.