

RULES
OF
YUNFENG FINANCIAL GROUP LIMITED
雲鋒金融集團有限公司
(Incorporated in Hong Kong with limited liability)
SHARE AWARD SCHEME

Adopted pursuant to an ordinary resolution
of the shareholders of Yunfeng Financial Group Limited
at the extraordinary general meeting held on [] 2025

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YUNFENG FINANCIAL GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

RULES OF THE SHARE AWARD SCHEME

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Scheme, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings: -

“Acceptance Notice”	has the meaning ascribed to such term in Clause 3.3(b);
“Acceptance Period”	has the meaning ascribed to such term in Clause 3.3(b);
“Adoption Date”	means [] 2025, being the date on which this Scheme is conditionally adopted by a resolution of the Shareholders;
“Articles”	means the articles of association of the Company as amended from time to time;
“associate(s)”	has the meaning ascribed to such term in the Listing Rules;
“Auditors”	means the auditors of the Company from time to time;
“Awarded Shares”	means Shares underlying the Share Awards granted pursuant to Clause 3.1(a) and subject to Clause 3.4 and Clause 3.6;
“Board”	means the board of Directors (or a duly authorised committee thereof for the time being);
“Business Day”	means a day (excluding Saturdays, Sundays or public holidays) on which licensed banks in Hong Kong are generally open for business and the Stock Exchange is open for the business of dealing in securities;
“chief executive”	has the meaning ascribed to such term in the Listing Rules;
“clawback event”	has the meaning ascribed to the situation as set out in Clause 3.4(f);
“close associate(s)”	has the meaning ascribed to such term in the Listing Rules;
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	means Yunfeng Financial Group Limited 雲鋒金融集團有限公司, a company incorporated in Hong Kong with limited

	liability, the Shares of which are listed on the Hong Kong Stock Exchange with Stock Code 376;
“Confirmation Letter”	has the meaning ascribed to such term in Clause 3.4(g)(ii);
“connected person(s)”	has the meaning ascribed to such term in the Listing Rules;
“core connected person(s)”	has the meaning ascribed to such term in the Listing Rules;
“corporate event”	has the meaning ascribed to the situation as set out in Clause 3.4(d);
“Directors”	means the directors of the Company; and “Director” means any one of them;
“Eligible Participants”	means an Employee Participant, a Related Entity Participant or a Service Provider;
“Employee Participant”	means any employee (whether full-time or part-time) or director of the Company or any of the Subsidiaries (including any person who is granted Share Awards under this Scheme as an inducement to enter into employment contracts with any member of the Group), provided that the Board may have discretion to determine whether or not one falls within such category;
“Excluded Participant(s)”	means any person who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of this Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person;
“exit event”	has the meaning ascribed to such term in Clause 3.4(e);
“Grant”	means individually or collectively, a grant of Share Awards under this Scheme;
“Grant Date”	means in relation to any Share Award, the date on which the Share Award is granted as set out in the Grant Letter, which must be a Business Day;
“Grant Letter”	means a letter to the Selected Participants in such form as the Board may from time to time determine notifying them of the Grant in accordance with Clause 3.3(a);
“Grant Shares”	has the meaning ascribed to such term in Clause 3.2(a);

“Group”	means the Company and the Subsidiaries from time to time and the expression “member of the Group” shall be construed accordingly;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Inside Information”	has the meaning ascribed to such term under the Listing Rules;
“Lapsed Share Awards”	means such Share Awards which do not vest and lapse in accordance with Clause 3.4(b);
“Lapsed Shares”	means the Awarded Shares underlying the Lapsed Share Awards;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Personal Representative”	means the person or persons who, according to the laws of succession applicable in respect of the death of an individual, is or are entitled to deal with the property of that individual;
“PRC”	means the People’s Republic of China;
“Purchase Money”	has the meaning ascribed to such term in Clause 2.5(d);
“Pure Cash Distribution”	has the meaning ascribed to such term in Clause 3.5;
“Related Entity”	means any holding company, fellow subsidiary or associated company of the Company; and “Related Entities” shall be construed accordingly;
“Related Entity Participant”	means any employee (whether full-time or part-time) or director of the Related Entities;
“Remuneration Committee”	means the remuneration committee of the Company;
“Relevant Event”	means any alteration in the share capital of the Company arising from any capitalisation issue, sub-division, consolidation or reduction of share capital of the Company; or any rights issue or open offer of any share capital of the Company involving an offer of right to the existing Shareholders;
“Rules”	means the rules of this Scheme as amended from time to time;
“Scheme”	means this share award scheme in its present or any amended form;

“Scheme Mandate Limit”	has the meaning ascribed to such term in Clause 5.1;
“Scheme Period”	means the period of 10 years commencing from the Adoption Date;
“Selected Participant”	means any Eligible Participant selected by the Board in accordance with the terms of this Scheme that has an outstanding Share Award under the Scheme;
“Service Provider”	<p>means any person who falls under one of the following sub-categories and who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group as determined by the Board pursuant to the criteria set out in Clause 3.2:</p> <p>(a) suppliers, agents and service providers;</p> <p>(b) advisors (professional or otherwise) or consultants; and</p> <p>(c) independent contractors,</p> <p>excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;</p>
“Service Provider Sublimit”	has the meaning ascribed to such term in Clause 5.1;
“Share Award”	means the award of Awarded Shares pursuant to this Scheme;
“Shareholder(s)”	means holder(s) of Shares;
“Share(s)”	means fully paid share(s) in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the share(s) forming part of the share capital of the Company as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary of the Company; and “Subsidiaries” shall be construed accordingly;
“subsidiary”	has the meaning ascribed to such term in Sections 13 to 15 of the Companies Ordinance whether incorporated in Hong Kong or elsewhere;

“substantial shareholder”	has the meaning ascribed to such term in the Listing Rules;
“treasury share(s)”	has the meaning ascribed to such term in the Listing Rules;
“Trust”	means the trust from which Share Awards may be granted to a Selected Participant pursuant to this Scheme;
“Trust Deed”	means the trust deed constituting the Trust, as restated, supplemented and amended from time to time;
“Trustee”	means the persons as the Company may from time to time appoint as the trustee of the Trust;
“Vested Shares”	has the meaning ascribed to such term in Clause 3.4(g)(i);
“Vesting Date”	has the meaning ascribed to such term in Clause 3.4(g)(i);
“Vesting Notice”	has the meaning ascribed to such term in Clause 3.4(g)(ii);
“Vesting Period”	means in relation to any Share Award, a period commencing on the Grant Date and ending on the Vesting Date (both days inclusive); and
“%”	per cent.

1.2 In this Scheme, any references, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended, consolidated or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions and rules of which they are re-enacted (whether with or without modification) and shall include any subsidiary legislation enacted under the relevant statute, provision or rule.

1.3 Except insofar as the context otherwise requires:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) words denoting the masculine gender shall include the feminine gender;
- (c) references to any document in this Scheme are to that document as amended, consolidated, supplemented, novated or replaced from time to time; and
- (d) paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References to paragraphs or sub-paragraphs are to paragraphs or sub-paragraphs of this Scheme. References to persons include bodies corporate or unincorporate.

1.4 In construing this Scheme:

- (a) any references to a grant of Share Awards or Share Awards granted or to be granted shall, where applicable, include a conditional grant of Share Awards or Share Awards conditionally granted or to be conditionally granted;
- (b) unless otherwise specified, any references to Shares or new Shares shall include treasury shares of the Company, and references to an allotment or issue of Shares or similar terms relating thereto shall include a transfer of treasury shares of the Company out of treasury;
- (c) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (d) general words shall not be given a restrictive meaning by reason of that fact that they are followed by particular examples intended to be embraced by the general words.

2. PURPOSES, CONDITIONS, DURATION AND ADMINISTRATION

2.1 Purposes

The purposes of this Scheme are:

17.03(1)

- (a) to encourage or facilitate the holding of Shares by the Selected Participants whom the Board considers, in its sole discretion, to have contributed or will contribute to the Group;
- (b) to encourage and retain such individuals to work with the Group; and
- (c) to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Selected Participants with the Shareholders through ownership of Shares.

2.2 Conditions

- (a) This Scheme shall take effect subject to and conditional upon:
 - (i) the passing of an ordinary resolution to approve the adoption of this Scheme by the Shareholders in general meeting and to authorise the Directors to grant Share Awards pursuant to this Scheme and to allot and issue or otherwise deal with the Shares which fall to be issued by the Company pursuant to the grant of any Share Awards under this Scheme; and
 - (ii) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the grant of Share Awards under this Scheme.

2.3 Duration

Subject to any early termination of this Scheme in accordance with Clause 9.3 and without prejudicing the subsisting rights of any Selected Participant, the Scheme shall be valid and effective for the Scheme Period.

17.03(11)

2.4 Administration

(a) This Scheme shall be subject to the administration of the Board in accordance with the Rules. Subject to the provisions of the Listing Rules, the Articles and Companies Ordinance and subject to the recommendation or approval of the Remuneration Committee, the Board's determinations under this Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, Share Awards under it. If a Director is a Selected Participant, he may, notwithstanding his own interest and subject to the Articles, vote on any resolution of the Board concerning this Scheme (other than in respect of his own participation in it), and may retain Share Awards.

17.06B(7)
& (8)

(b) The Board has the power to construe and interpret these Rules and the terms of the Share Awards granted under this Scheme. The decision of the Board as to all matters (save for those specifically reserved for determination by Shareholders in accordance with the Listing Rules) relating to this Scheme or its interpretation or effect shall be final and binding on all parties.

(c) The Board may delegate the authority to administer this Scheme to any committee of the Board to assist in the administration of this Scheme and delegate such powers and/or functions relating to the administration of this Scheme as the Board thinks fit.

2.5 Trustee

(a) The Company shall appoint the Trustee to assist with the administration and vesting of the Share Awards granted pursuant to this Scheme.

(b) The Board may at any time during the Scheme Period:

(i) direct and procure the Trustee to subscribe for new Shares (including the transfer of treasury shares) at such subscription price as the Board may direct; and/or

(ii) direct and procure the Trustee to purchase existing Shares (either on-market or off-market) at such purchase price as the Board may direct or authorise,

in each case using funds of the Company subject to compliance with the Companies Ordinance and the Listing Rules, and to hold such new Shares or existing Shares (as the case may be) for the benefit of all or one or more of the

Selected Participants and for the satisfaction of Share Awards granted or to be granted under this Scheme upon vesting.

- (c) The Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Share Awards granted pursuant to this Scheme.
- (d) Without prejudice to the generality of Clause 2.5(c), subject to the limitations and restrictions set out in Clause 3.7(b), the Company may from time to time cause to be paid to the Trustee such amounts of funds from the Company's resources as the Board may in its absolute discretion determine for the subscription of new Shares pursuant to Clause 2.5(b)(i) or the purchase of existing Shares (either on-market or off-market) pursuant to Clause 2.5(b)(ii) (as the case may be) and the payment of the related expenses, transaction levy, brokerage, tax, duties and levies (the "**Purchase Money**").
- (e) Upon receipt of the Purchase Money,
 - (i) in the case of subscription of new Shares (including the transfer of treasury shares), the Trustee shall, subject to the limitations and restrictions set out in Clause 3.7(b) and in compliance with the requirements of the Listing Rules, subscribe for such number of new Shares as the Board shall direct and apply the Purchase Money and/or Pure Cash Distribution to settle the consideration payable for such subscription; and
 - (ii) in the case of purchase of existing Shares, the Trustee shall, subject to market conditions and at such time as the Trustee may at its absolute discretion determine, purchase existing Shares (either on-market or off-market) and apply the Purchase Money and/or Pure Cash Distribution to settle the consideration payable for such purchase and the related expenses, transaction levy, brokerage, tax, duties and levies PROVIDED that no off-market purchase of existing Shares ("**Off-market Purchase**") may be effected by the Trustee unless the Board has provided its prior written confirmation to the Trustee that the terms of the Off-market Purchase are in compliance with the Code on Share Buy-Backs issued by the Securities and Futures Commission of Hong Kong. The Trustee shall purchase the maximum number of Shares possible from the Purchase Money (either on-market or off-market). In case that the Purchase Money and Pure Cash Distribution for the time being is insufficient to purchase all the Shares necessary to cover the Share Awards granted, the Company shall top up the Purchase Money where necessary to enable the purchase of sufficient number of Shares necessary to cover the Share Awards granted. In case that the Purchase Money and Pure Cash Distribution exceeds the sum required for the purchase of existing Shares necessary to cover the Share Awards granted, the Trustee shall retain the excess Purchase Money and Pure Cash Distribution and apply such excess Purchase Money and Pure Cash

Distribution for the purchase of existing Shares (either on-market or off-market) at such time as the Board may from time to time further direct.

3. OPERATION OF THE SCHEME

3.1 Grant of Share Awards to Selected Participants

- (a) Subject to the provisions of this Scheme, the Board may, from time to time at its absolute discretion, and subject to such conditions as the Board may at its absolute discretion think fit, select any Eligible Participant (excluding an Excluded Participant) to be a Selected Participant and grant Share Awards to such Selected Participant which are to be satisfied by the new Shares to be subscribed by the Trustee under Clause 2.5(b)(i) or the existing Shares purchased by the Trustee (either on-market or off-market) under Clause 2.5(b)(ii).

- (b) Notwithstanding the provision in Clause 3.1(a), no Grant shall be made to any Selected Participant:

17.05

- (i) when the Company and/or any Director is in possession of Inside Information until (and including) the trading day after the Company has announced the Inside Information; and
 - (ii) during the period commencing thirty (30) days 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 Share Awards may be granted during any period of delay in publishing a results announcement.

Without prejudice to the above, no Grant may be made in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

- (c) Without limiting the generality of paragraph (b), no Grant shall be made and no instruction may be given by the Board to the Trustee to acquire/subscribe for Shares with respect to a grant of a Share Award to an Eligible Participant (including a director of the Company) who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules (“**Model Code**”) during the periods or times in which such Eligible Participant is prohibited from dealing in Shares pursuant to the Model Code.

3.2 Criteria for Determining Selected Participants

- (a) In determining (i) the number of Shares Awards to be granted under this Scheme (“**Grant Shares**”) and/or (ii) the Selected Participants and the number of Grant Shares to be granted to each Selected Participant, the Board shall take into consideration matters including, but without limitation to: 17.03(2)
- (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
 - (ii) the general financial condition of the Group;
 - (iii) the Group’s overall business objectives and future development plan; and
 - (iv) any other matter which the Board considers relevant.
- (b) When considering the eligibility of each of the Selected Participants, the Board shall consider all relevant factors as appropriate from time to time. In particular, 17.03A(1)
- (i) with respect to Employee Participants, the Board will consider, among others, the experience of the Employee Participant on the Group’s business, the length of service of the Employee Participant with the Group;
 - (ii) with respect to Related Entity Participants, the Board will mainly consider the experience of the Related Entity Participant on the Related Entity’s business, the length of service of the Related Entity Participant with the Related Entity, the amount of contribution the Related Entity Participant has made or is likely to make towards the success of the Group through his/her involvement and participation at the Related Entity, the benefits and synergies provided by the Related Entity to the Group and such other factors as the Board may at its discretion consider appropriate; and
 - (iii) with respect to Service Providers, the Board will consider, among others, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Service Provider has established with the Group.
- (c) In assessing the eligibility of each category of Service Providers, the Board will take into consideration the following additional criteria: 17.03A(2)

	Category	Scope of services	Eligibility criteria for Service Providers
(i)	suppliers, agents and service providers of any member of the Group	(i) supply of agency, intermediary and/or professional services in relation to business and sales growth of the Group’s insurance business	those that (A) operate in the industries in which the Group operates from time to time; (B) engage with the Group on a regular or recurring basis; and (C) provide

		<p>(ii) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses, including but not limited to implementation and maintenance of information systems and related infrastructure</p> <p>(iii) supply of professional services in relation to research and development, implementation and maintenance of technology infrastructure, e.g., networks, artificial intelligence modeling and training, software engineering, system architecture and design, cloud infrastructure; product and system design or development in AI-powered applications and cybersecurity</p>	significant contribution to the Group and its business
(ii)	advisors (professional or otherwise) or consultants to any member of the Group	<p>(i) advisory and consultancy services in respect of the Group's businesses in key areas, e.g., legal compliance, resources management, sales and marketing, strategic or commercial planning on corporate image and investor relations</p> <p>(ii) research and development in relation to financial technology and other new initiatives, market trends, project</p>	those with specialties or expertise in areas that supplement the Group or with which the Group would consider important to maintain a close business relationship on an ongoing basis, and that bring benefits and strategic value to the Group's development and future prospects

		development and business expansion plans of the Group	
		(iii) development and implementation of product and project plans that are material or essential to the growth and development of the Group's businesses	
(iii)	independent contractors	<p>(i) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses, including but not limited to implementation and maintenance of information systems and related infrastructure</p> <p>(ii) supply of professional services in relation to research and development, implementation and maintenance of technology infrastructure, e.g., networks, artificial intelligence modeling and training, software engineering, system architecture and design, cloud infrastructure; product and system design or development in AI-powered applications and cybersecurity</p>	those that provide advisory services, consultancy services, sales and marketing services and/or other professional services, taking into account (A) the reliability and quality of the services supplied; (B) the materiality and nature of the business relationship with the Group; and (C) the background, reputation and track record of the independent contractors

3.3 Grant of Share Awards and Acceptance of the Grant

- (a) After the Board has determined the number of Grant Shares and/or the Selected Participants, it shall notify the Trustee and issue the Grant Letter to the Selected

Participants specifying (i) the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant and whether the relevant Selected Participant is a connected person of the Company, (ii) the number of the Awarded Shares, (iii) the Acceptance Period, (iv) the amount payable (if any) on the acceptance of such Share Awards, (v) the purchase price payable (if any) for the Awarded Shares upon vesting of such Share Awards, (vi) the Vesting Period, (vii) any vesting criteria, restrictions, performance conditions or other conditions applicable to such Share Awards, and (viii) any such other terms and conditions of such Share Awards as may be imposed by the Board.

- (b) Upon receipt of the Grant Letter, the Selected Participants are required to confirm their acceptance of the Grant in the manner set out in the Grant Letter and provide their securities account details for the purposes of effecting the transfer of the Vested Shares to such Selected Participants by the Trustee by returning to the Trustee and the Board a notice of acceptance (the “**Acceptance Notice**”) duly executed by them within a period from the Grant Date to such date as the Board may specify in the Grant Letter (both days inclusive) (the “**Acceptance Period**”) provided that the Acceptance Period shall be not less than a period of ten (10) Business Days. 17.03(8)
- (c) If any Selected Participant fails to return the Acceptance Notice within the Acceptance Period confirming acceptance of the Grant and his securities account details for the purposes of the transfer of the Vested Shares pursuant to Clause 3.3(b) above to the Board and the Trustee, the relevant Grant shall, unless otherwise agreed by the Company at its absolute discretion, lapse forthwith and the Selected Participant shall have no claims against the Company or the Trustee.
- (d) Unless otherwise determined by the Board and specified in the Grant Letter, a Selected Participant is not required to pay any purchase price or make any other payment on acceptance or vesting of the Share Awards. 17.03(8)
17.03(9)

3.4 Vesting

- (a) Vesting Conditions and Period
 - (i) Unless otherwise determined by the Board and specified in the Grant Letter, vesting of Share Awards is not subject to any performance target that needs to be achieved by a Selected Participant. 17.03(7)
 - (ii) Notwithstanding the provisions in Clause 3.4(a)(i) above, subject to the requirements of the Listing Rules, the Board may from time to time while this Scheme is in force determine any vesting criteria or periods for the Share Awards to be vested or credited hereunder, including, without limitation, such limitations based upon the passage of time after the grant of the Share Award, the satisfaction of specified performance criteria relating generally to the Company or particularly to a Selected Participant or the satisfaction or fulfilment of any other conditions (including any combination of the foregoing), and such other restrictions

or conditions in respect thereof as the Board may in its discretion determine to be appropriate.

- (iii) The Vesting Period in respect of any Share Awards must not be less than 12 months from the Grant Date (including the Grant Date), provided that the Board may at its discretion grant a shorter Vesting Period to an Employee Participant in the following circumstances:

17.03(6)
17.03F

- (A) grants of “make whole” Share Awards to new Employee Participants to replace share options or awards such Employee Participants forfeited when leaving their previous employers;
- (B) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event (under such circumstance, the vesting of the Share Awards may accelerate);
- (C) grants of Share Awards with performance-based vesting conditions in lieu of time-based vesting criteria which allow flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months;
- (D) grants of Share Awards with accelerated vesting to reward exceptional performers for past performance and/or retain talented personnel taking into account the current business needs of the Group, changing market conditions and industry competition;
- (E) grants of Share Awards the timing of which are determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Period may be adjusted to take account of the time from which the Share Awards would have been granted if not for such administrative or compliance requirements;
- (F) grants of Share Awards with a mixed vesting schedule such that the Share Awards vest evenly over a period of 12 months; or
- (G) grants of Share Awards with a total vesting and holding period of more than 12 months.

- (b) Lapse of Share Awards

17.03(12)

- (i) Termination for Cause

17.03(19)

If at any time, a Selected Participant ceases to be an Eligible Participant by reason of such Selected Participant having his or her employment, directorship, office, appointment or engagement terminated by the Company, any Subsidiary or any Related Entity on any one or more of

the grounds that he or she has been guilty of misconduct, or has been in breach of material term of the relevant employment, service, agency or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent or has been served a petition for bankruptcy or winding-up, 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 (if so determined by the Board or the board of directors of the Subsidiary or of the Related Entity, as the case may be) on any other ground on which an employer or an engaging party would be entitled to terminate his or her employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Selected Participant's employment, service, agency or engagement contract with the relevant member of the Group or the Related Entity, or the employment, directorship, office, appointment or engagement of the Selected Participant is terminated by the relevant member of the Group or the Related Entity pursuant to the contract thereof without notice, then unless otherwise determined by the Board, any unvested Share Awards shall automatically lapse forthwith and all the Share Awards (to the extent not already vested) shall not vest on the relevant Vesting Dates and such Selected Participant shall have no claim whatsoever against the Company or the Trustee.

A resolution of the board of directors of the relevant member of the Group or the Related Entity (as the case may be) to the effect that employment, directorship, office, appointment or engagement of a Selected Participant has or has not been terminated on one or more of the grounds specified in this Clause 3.4(b)(i) shall be conclusive and binding on the Selected Participant.

(ii) Cease to be an Eligible Participant

If at any time, a Selected Participant ceases to be an Eligible Participant for reasons other than (i) his or her death, disability or retirement in accordance with his or her contract of employment, or (ii) on one or more grounds of termination for Cause as specified in paragraph 9(a) above, then any unvested Share Awards shall automatically lapse forthwith and all the Share Awards (to the extent not already vested) shall not vest on the relevant Vesting Dates and such Selected Participant shall have no claim whatsoever against the Company or the Trustee.

(iii) Refuse

In the event that a Selected Participant fails to return duly executed transfer documents on or before the date prescribed by the Board (or such later date as may be determined by the Board at its sole and absolute discretion having taken into account all relevant circumstances)

for the relevant Awarded Shares within the stipulated period, the relevant part of a Share Award made to such Selected Participant shall automatically lapse forthwith.

(iv) Attempt on transfer/assignment

If any Selected Participant makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to any Share Award or any interests or benefits pursuant to the Share Award, then any unvested Share Awards shall automatically lapse forthwith.

(v) Winding up of the Company

In the event that an order for the winding up of the Company is made or a resolution is passed for the voluntary winding up of the Company, then any unvested Share Awards shall automatically lapse forthwith.

17.03(10)

(vi) Excluded Participant

In the event that a Selected Participant is found to be an Excluded Participant, then any unvested Share Awards shall automatically lapse forthwith.

Any unvested Shares Awards that have lapsed in accordance with this Clause 3.4(b) shall become Lapsed Share Awards for the purposes of this Scheme and be dealt with in accordance with Clause 4.

(c) Rights on Death, Disability and Retirement, etc.

In the event that a Selected Participant ceases to be an Eligible Participant by reason of:

- (i) his death;
- (ii) his disability; or
- (iii) if he is an Employee Participant or a Related Entity Participant, retirement,

then notwithstanding that the Selected Participant has ceased to be an Eligible Participant, any unvested Share Awards shall, unless otherwise determined by the Board, subject to the satisfaction of the vesting conditions as set out in the Grant Letter issued to such Selected Participant (other than those waived by the Company, provided that the minimum Vesting Period of 12 months could not be waived in respect of a Grant made to a Selected Participant who is not an Employee Participant), continue to vest according to the vesting schedule as set out in the Grant Letter.

(d) Vesting Upon a Corporate Event

In the event of any of the following events (“**corporate event**”) taking place prior to the vesting of Share Awards:

- (i) a general offer by way of takeover, merger, amalgamation or otherwise in a like manner (other than by way of scheme of arrangement pursuant to Clause 3.4(d)(ii) below) having been made by any person to acquire all the Shares (other than those already owned by the offeror, any person controlled by the offeror and/or any person acting in association or concert with the offeror), and such offer becoming or being declared unconditional;
- (ii) an offer by way of scheme of arrangement having been made by any person to acquire all the Shares (other than those already owned by the offeror, any person controlled by the offeror and/or any person acting in association or concert with the offeror) being approved by the necessary number of Shareholders at the requisite meeting(s); or
- (iii) a compromise or arrangement (other than a general offer or scheme of arrangement contemplated in Clause 3.4(d)(i) or (ii) above) between the Company and its creditors and/or the Shareholders having been proposed for the purposes of or in connection with a plan for the reconstruction or amalgamation of the Company,

the Board shall, subject as provided below and (A) (in the case of Clause 3.4(d)(i) above) prior to the offer becoming or being declared unconditional; or (B) (in the case of Clause 3.4(d)(ii) or 3.4(d)(iii) above) prior to the date of the relevant meeting(s), determine in its absolute discretion whether any unvested Share Awards shall vest with an accelerated vesting schedule in whole or in part. The number of Shares in respect of which any Share Award may vest pursuant to this Clause 3.4(d) (if any) and the period during which such vesting may take place shall be determined by the Board with reference to factors, including (aa) the extent to which any vesting conditions have been satisfied as at the date of the corporate event and (bb) the proportion of the Vesting Period that has elapsed as at the date of the corporate event, provided that for Grants made to any Selected Participant who is not an Employee Participant, at least twelve (12) months must have elapsed from the date of Grant. The balance of any such Share Awards determined by the Board not to vest shall lapse automatically on (A) (in the case of Clause 3.4(d)(i) above) the date on which the offer closes; (B) (in the case of Clause 3.4(d)(ii) above) the record date for determining entitlements under the scheme of arrangement; or (C) (in the case of Clause 3.4(d)(iii) above) the date of the meeting of the Company’s creditors or the Shareholders.

(e) Vesting Upon an Exit Event

In the event that the Subsidiary or Related Entity by which the Selected Participant is employed or appointed or contracted with (as the case may be)

ceases to be a Subsidiary or a Related Entity of the Company (“**exit event**”), the Board may (but is not obliged to) at any time within three (3) months following such exit event occurring, decide in its absolute discretion, subject to compliance with the relevant requirements of the Listing Rules, whether any unvested Share Awards shall:

- (i) vest with an accelerated vesting schedule in whole or in part, provided that in respect of Grants made to any Selected Participant who is not an Employee Participant, at least twelve (12) months must have elapsed from the date of Grant;
 - (ii) continue to vest in whole or in part in accordance with the original or amended vesting schedule as determined by the Board; and/or
 - (iii) lapse forthwith in whole or in part on the date of the exit event.
- (f) Vesting Upon a Clawback Event

17.03(19)

In the event of any of the following circumstances (“**clawback event**”) occurring prior to the vesting of Share Awards:

- (i) a material misstatement or restatement in the audited financial accounts of the Company, the Subsidiary or the Related Entity (as the case may be) (other than as a result of a change in accounting practice);
- (ii) the negligence, fraud or serious misconduct of the Selected Participant which results in or is reasonably likely to result in:
 - (A) significant reputational damage to the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be);
 - (B) a material adverse effect on the financial position of the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be); or
 - (C) a material adverse effect on the business opportunities or prospects of the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be); or
- (iii) the Company, the Subsidiary or the Related Entity (as the case may be) by which the Selected Participant is employed or appointed or contracted with (as the case may be) suffering:
 - (A) significant reputational damage;
 - (B) a material adverse effect on its financial position; or
 - (C) a material adverse effect on its business opportunities or prospects,

the Board may in its discretion determine that the number of Awarded Shares underlying any such Share Awards shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances.

(g) Vesting of Awarded Shares

- (i) Subject to the vesting conditions set out in Clause 3.4(a) or otherwise in Clauses 3.4(c), 3.4(d), 3.4(e) and 3.4(f), any Awarded Shares held by the Trustee on behalf of a Selected Participant pursuant to the provisions hereof shall vest in accordance with the Grant Letter (the “**Vested Shares**”) (the date or each such date on which the Awarded Shares are to vest is referred to as a “**Vesting Date**”).
- (ii) The Board shall send to each Selected Participant or (where applicable) his Personal Representative a vesting notice (A) not less than 7 days prior to each Vesting Date or (B) (in the case of Clause 3.4(c), 3.4(d), 3.4(e) or 3.4(f)), not less than 7 days prior to any amended Vesting Date as determined by the Board (if any) (the “**Vesting Notice**”). When Shares vest in a Selected Participant in accordance with these Rules, the Board shall also issue to the Trustee a letter confirming, among other things, (aa) the vesting conditions (if any) have been fulfilled or the occurrence of a corporate event, an exit event or a clawback event (as the case may be); and (bb) setting out the number of Shares vested in each relevant Selected Participant or (where applicable) his Personal Representative pursuant to this Clause 3.4(g)(ii) (the “**Confirmation Letter**”).
- (iii) The Vesting Notice shall set out the number of Shares to be vested in respect of the relevant Selected Participant or (where applicable) his Personal Representative on the relevant Vesting Date. Upon vesting of the Share Awards and provided that none of the events set out in Clause 3.4(b) have occurred prior to vesting, the Trustee shall proceed to transfer the Vested Shares (and, if applicable, the cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions in respect of those Vested Shares) to the relevant Selected Participant or (where applicable) his Personal Representative within 21 Business Days (unless otherwise specified in the Vesting Notice) from the later of the date of receipt by the Company of: (i) the reply slip attached to the Vesting Notice duly executed by the Selected Participant, (ii) the transfer or subscription documents as prescribed by the Board for the relevant Vested Shares duly executed by the Selected Participant; and (iii) the estimated tax and/or social security contributions related to Awarded Shares as mentioned in Clause 7.3 and specified to be borne by the Selected Participant in the Vesting Notice.

3.5 Cash and Non-Cash Income

- (a) All cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share held by the

17.03(10)

Trustee under this Scheme (whether held as Grant Shares or Lapsed Shares but excluding any Vested Shares if the record date of the declaration of such income, dividends or distributions is on or after the date of vesting of the relevant Share Awards) (“**Pure Cash Distribution**”) shall (i) initially be applied to defray the fees, costs and expenses of the Trust, including without limitation all of the Trustee’s fees, (ii) secondly, to the subscription for and/or purchase of Shares for the purpose of satisfying any further Share Awards in accordance with Clause 2.5(e) and, (iii) upon termination of the Scheme, form part of the trust fund of the Trust.

- (b) The Selected Participants shall be entitled to receive all cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share referable to a record date on or after the vesting of the Share Awards.

3.6 **Rights Attached to Share Awards, Restrictions and Limitations**

17.03(17)

- (a) Any Grant made herein shall be personal to the Selected Participant to whom it is made and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Purchase Money or the Awarded Shares pursuant to such Grant or any of the Grant Shares or Lapsed Shares under this Scheme.
- (b) A Selected Participant shall not have any contingent interest in the Awarded Shares which are referable to him until such Awarded Shares have been vested as Shares in accordance with the provisions set out in Clause 3.4(g).
- (c) A Selected Participant shall have no rights in (i) any cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions in respect of any Lapsed Share Award; and (ii) any cash remaining in the trust fund of the Trust.
- (d) Neither the Selected Participant nor the Trustee shall exercise the voting rights in respect of any Grant Shares, Lapsed Shares or any bonus Shares or scrip Shares attributable to such Grant Shares or Lapsed Shares which are held under the Trust. In particular, the Trustee holding unvested Grant Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.
- (e) The Trustee may not subscribe for any new Shares pertaining to either (i) an open offer of new securities; or (ii) bonus warrants issued in respect of any Shares held by the Trustee. In the event of a rights issue, the Trustee shall sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee shall sell the bonus warrants granted to it. The net proceeds from the sale of such rights shall be held as cash income of the trust fund of the Trust and shall be applied in accordance with Clause 3.5.

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| (f) | The Shares to be allotted and issued in respect of any Share Award shall be subject to the Articles and shall rank pari passu in all respects with other fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to the same rights of the holders of other fully paid Shares in issue, including voting, dividend, transfer and any other rights. In particular, the Shares to be allotted and issued in respect of any Share Award will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue. | 17.03(15) |
| | | 17.03(10) |

3.7 Compliance

- (a) In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure regulations including, without limitation, those imposed by the Listing Rules and all applicable laws from time to time.
- (b) No payment shall be made to the Trustee and no instructions to subscribe for and/or purchase Shares shall be given to the Trustee pursuant to this Scheme during the periods as specified in Clauses 3.1(b) and 3.1(c) above.

4. LAPSED SHARE AWARDS

- 4.1 Where Shares Awards, referable to a Selected Participant, do not vest in accordance with the relevant provisions herein and become Lapsed Share Awards, the Trustee shall hold such Lapsed Shares underlying the Lapsed Share Awards and all cash, non-cash income, dividends or distributions and/or sale proceeds of such non-cash and non-scrip distributions derived therefrom for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participant). Subject to the limitations and restrictions set out in Clauses 3.1(b) and 3.1(c) and the provisions of this Scheme, the Board may at any time make one or more Grants in respect of those Lapsed Shares held by the Trustee in its absolute discretion.
- 4.2 All Lapsed Shares, when granted, may be subject to such vesting conditions and/or vesting schedule as the Board may determine in accordance with the provisions of this Scheme and the requirements of the Listing Rules.

5. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

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| 5.1 | The total number of Shares which may be issued in respect of all the Share Awards to be granted under this Scheme together with the number of Shares which may be issued in respect of all options and awards under any other share schemes of the Company shall not exceed 405,929,167, representing 10% of the total number of Shares in issue (excluding any treasury shares of the Company) (the “ Scheme Mandate Limit ”) on the Adoption Date. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all the Share Awards to be granted under this Scheme together with the number of Shares which may be issued under any other share schemes of the Company to Service Providers shall not exceed 81,185,833, representing 2% of the total number of Shares in issue (excluding any treasury shares of the Company) (the “ Service Provider Sublimit ”) as at the Adoption Date, provided that the Lapsed Share | 17.03(3)
17.03B(1) |
| | | 17.03B(2) |

Awards will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and/or the Service Provider Sublimit. The Board shall not instruct the Trustee or pay or caused to be paid to the Trustee any amounts to subscribe for any new Shares for the purpose of this Scheme when such subscription will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded.

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| 5.2 | Subject to Clause 5.3, the Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit and/or the Service Provider Sublimit after 3 years from the Adoption Date or the date of Shareholders' approval for the last refreshment. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within 3 years from the Adoption Date or the date of Shareholders' approval for the last refreshment shall be subject to Shareholders' approval in accordance with the requirements of the Listing Rules. | 17.03C(1) |
| 5.3 | The total number of Shares which may be issued in respect of all Share Awards to be granted under this Scheme and all options and awards to be granted under this Scheme and any other scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10 % of the Shares in issue (excluding any treasury shares of the Company) as at the date of Shareholders' approval of the refreshed Scheme Mandate Limit. Share Awards previously granted under this Scheme and options and awards granted under any other share schemes of the Company (including those outstanding, cancelled, lapsed, vested or exercised) will not be regarded as utilised for the purpose of calculating such limit as refreshed. For the purpose of seeking Shareholders' approval under this Clause 5.3, the Company must send a circular to the Shareholders containing the information required under the Listing Rules. | 17.03C(2) |
| 5.4 | Notwithstanding Clauses 5.1, 5.2 and 5.3, the Company may grant Share Awards beyond the Scheme Mandate Limit if separate Shareholders' approval has been obtained in general meeting for granting such Share Awards beyond the Scheme Mandate Limit to the Eligible Participants specifically identified by the Company before such Shareholders' approval is sought. For the purpose of seeking Shareholders' approval under this Clause 5.4, the Company must send a circular to the Shareholders containing all information required under the Listing Rules in relation to any such proposed Grant to the Eligible Participants. The number and terms of the Share Awards to be granted to such Eligible Participants must be fixed before Shareholders' approval. | 17.03C(3) |
| 5.5 | If the Company conducts a Relevant Event while any Share Award remains unvested, the total number of Shares which may be issued in respect of all the Share Awards to be granted under this Scheme together with the number of Shares which may be issued under any other share schemes of the Company under the unutilised Scheme Mandate Limit or the Service Provider Sublimit shall be adjusted accordingly, with reference to the total number of issued Shares at the date immediately before and after such Relevant Event and rounded to the nearest whole Share, such that the Selected Participants will be entitled to the same proportion of the Company's equity capital to which such Selected Participants are previously entitled under an unvested Share Award. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the Note to Rule 17.03(13) of the Listing Rules. | Note (2) to
17.03B |

- 5.6 Any grant of Share Awards to any Director, chief executive or substantial shareholder of the Company, or any of his respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant). In addition:
- 17.04(1)
- (a) where any grant of Share Awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of his respective associates, would result in the Shares issued and to be issued in respect of all Share Awards granted under this Scheme and all awards granted under any other share schemes of the Company (excluding those lapsed in accordance with the terms of this 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 0.1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant; or
- 17.04(2)
- (b) where any grant of Share Awards to an independent non-executive Director or substantial shareholder of the Company, or any of his respective associates, would result in the number of Shares issued and to be issued in respect of all Share Awards granted and all options and awards granted under any other share schemes of the Company (excluding those lapsed in accordance with the terms of this 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 0.1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant,
- 17.04(3)
- such further grant of Share Awards must be approved by the Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders. The Selected Participants, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The Company shall comply with the applicable requirements under Chapter 14A of the Listing Rules when granting Share Awards which would be satisfied by existing Shares purchased by the Trustee and are granted to connected persons of the Company (including any Director, chief executive or substantial shareholder of the Company).
- 5.7 The total number of the Shares which may be issued in respect of the Share Awards to be granted under this Scheme and the options and awards granted to such Selected Participant under any other share schemes of the Company in the 12-month period up to and including the date of grant of the Share Awards shall not in aggregate exceed 1% of the Shares in issue (excluding any treasury shares of the Company). Any further grant of Share Awards must be separately approved by the Shareholders in general meeting with such Selected Participant and his close associates (or his associates if the Selected Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Selected Participants, the number and terms of the Share Awards to be granted and the options or awards previously granted to such Selected Participants and the information required under the Listing Rules. The number and terms of the Share Awards to be granted to such Selected Participant must be fixed before Shareholders' approval.
- 17.03(4)
17.03D

6. ALTERATION OF CAPITAL STRUCTURE

- 6.1 Upon the occurrence of a Relevant Event, the number of unvested Awarded Shares that have been granted shall be adjusted in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits to which the Selected Participants are potentially entitled under the relevant unvested Share Awards, provided that: 17.03(13)
- (a) any such adjustment must give a Selected Participant the same proportion of the Awarded Shares, rounded to the nearest whole Share, as that to which that person was previously entitled under an unvested Share Award calculated in accordance with the formulas for adjustments as set out in Appendix 1 to the Frequently Asked Questions FAQ13 issued by the Stock Exchange (or any successor guidance or interpretation of the Listing Rules in respect of the same subject matter issued by the Stock Exchange from time to time) (“**Supplementary Guidance**”);
 - (b) all fractional Shares (if any) arising out of such a Relevant Event shall be deemed as Lapsed Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date; and
 - (c) any such adjustment shall be in compliance with the Listing Rules, and such applicable codes, guidance notes, and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.
- 6.2 In respect of any such adjustments required by Clause 6.1 above (other than any made on a capitalisation issue), an independent financial adviser or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out under the Note to Rule 17.03(13) of the Listing Rules and the Supplementary Guidance. The capacity of the independent financial adviser or the Auditors (as the case may be) in this Clause 6.2 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.

7. WITHHOLDING

- 7.1 The Company or any Subsidiary shall be entitled to withhold, and any Selected Participant shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant and/or vesting of the Share Awards and the transfer of the Awarded Shares.
- 7.2 The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any Subsidiary receives advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such Subsidiary any tax deduction resulting from the occurrence of such event.

- 7.3 The Company or any Subsidiary may, by notice to the Selected Participant and subject to any rules as the Board may adopt, require that the Selected Participant pay at the time of his acceptance of the Grant and/or taking the transfer and vesting of the related Awarded Shares to and in him an amount estimated by the Company or any Subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Grant.
- 7.4 The Selected Participant shall be liable for all taxes, social security contributions and other levies arising out of or in connection with his participation in this Scheme and shall indemnify the Company, any Subsidiary and/or the Trustee against any liability each of them may have to pay or account for such taxes, contributions or levies, including any withholding liability in connection with any taxes. To give effect to this, the Company or any Subsidiary in its absolute discretion may, or may direct the Trustee to, notwithstanding anything else contained in the Rules (but subject to applicable law):
- (a) reduce or withhold the number of the Selected Participant's Awarded Shares underlying the Share Award (the number of Awarded Shares underlying the Share Award that may be reduced or withheld shall be limited to the number of Awarded Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board, is sufficient to cover such liability);
 - (b) sell, on the Selected Participant's behalf, such number of Awarded Shares to which the Selected Participant becomes entitled under this Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency; and/or
 - (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under this Scheme or from any payments due from the Company or any Subsidiary to the Selected Participant.

For the avoidance of doubt, the Trustee shall not be obliged to transfer any Awarded Shares to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Company that such Selected Participant's obligations under this Clause 7.4 have been met.

8. DISPUTES

Any dispute arising in connection with this Scheme shall be referred to the decision of the Board whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.

9. AMENDMENT, CANCELLATION AND TERMINATION

9.1 Amendment

- (a) Subject to Clauses 9.1(b), 9.1(c) and 9.1(e) and the provisions of this Scheme, the Board may alter any of the terms of this Scheme at any time.

17.03(18)

- (b) Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions hereof relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting, provided that no such alterations shall operate to affect materially adversely any subsisting rights of any Selected Participant except with the consent of either (i) all the affected Selected Participants; or (ii) the Selected Participants amounting to two-thirds in the number of all Share Awards so held by the Selected Participants as at the date of the relevant resolution passed by the Board in approving such alterations. The Board's determination as to whether any proposed alteration to the terms and conditions of this Scheme is materially adverse to any Selected Participant shall be conclusive.
- (c) Any change to the terms of the Share Awards granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (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 and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- (d) Any change to the authority of the Directors or the administrators of this Scheme to alter the terms of this Scheme must be approved by the Shareholders in general meeting.
- (e) The amended terms of this Scheme and the Share Awards must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (f) Written notice of any amendment to this Scheme shall be given to all Selected Participants.

9.2 Cancellation

- (a) The Board may at its discretion cancel any Share Award that has not vested provided that:
 - (i) the Company or the relevant Subsidiary provides to the Selected Participant a replacement Share Award (or an option or award under any other share schemes of the Company) of equivalent value to the Share Awards to be cancelled; or
 - (ii) the Board makes any arrangement as the Selected Participant may agree in order to compensate him for the cancellation of the Share Awards.
- (b) Where the Company cancels any Share Awards granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made under this Scheme with available Scheme Mandate Limit approved by the Shareholders as mentioned in Clause 5.1 and in compliance with the terms of this Scheme, the Listing Rules and applicable laws

17.03(14)

Note to
17.03(14)

or regulations. The Share Awards so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).

9.3 Termination

This Scheme shall commence on the Adoption Date. The Board may by a resolution terminate this Scheme at any time before the expiry of the Scheme Period. Unless previously terminated by a resolution of the Board, this Scheme shall terminate upon the expiry of the Scheme Period, provided that:

17.03(16)

- (a) Any termination shall be without prejudice to any subsisting rights of any Selected Participant. The provisions of this Scheme shall remain in force to the extent necessary to give effect to the Share Awards granted prior to the termination of this Scheme or otherwise as may be required in accordance with the provisions hereof. Any Share Awards granted prior to such termination shall continue to be valid and shall be eligible to vest in accordance with the Rules.
- (b) Upon termination (whether due to early termination or upon expiry of the Scheme Period), no further Share Awards shall be granted. The Company shall notify the Trustee of such termination.
- (c) Upon receipt of the notification of termination of this Scheme from the Company in writing, the Trustee shall within 15 Business Days of receiving such notice of termination, or such longer time as the Trustee and the Board may agree from time to time, sell all Lapsed Shares and Grant Shares which are not subject to any Share Awards and non-cash income and non-scrip distributions attributable to such Lapsed Shares and Grant Shares remaining in the Trust, if any, and remit the proceeds of sale of the same together with any residual cash accrued in the Trust, net of all appropriate expenses in connection with such sale in accordance with the Trust Deed, to the Company forthwith after the sale, provided that the Board may direct and request the Trustee to transfer any such Lapsed Shares and/or Grant Shares and non-cash income and non-scrip distributions remaining in the Trust to such trustees of other trusts also operating share schemes of the Company in accordance with Chapter 17 of the Listing Rules. The Board shall notify the Trustee and the Selected Participants how the outstanding Share Awards shall be dealt with upon termination of this Scheme. For the avoidance of doubt, notwithstanding the receipt of notification of termination of this Scheme from the Company in writing, the Trust shall continue to remain in force until all Share Awards granted prior thereto have been fully settled and/or expired in accordance with their terms of issue.
- (d) For the avoidance of doubt, the Trustee may not in any event transfer any Shares to the Company upon termination of this Scheme.

10. MISCELLANEOUS

- 10.1 The Company shall be responsible for the costs of establishing and administering this Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Clause 10.4, expenses incurred in the purchase and/or subscription of Shares for the grant of Share Awards and stamp duty, registration fees, and direct costs and expenses payable in respect of the vesting and/or transfer of Awarded Shares to the Selected Participants on the relevant Vesting Date, but excluding any costs, expenses, levies and taxes which are determined by the Board in its absolute discretion to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participants or otherwise unrelated to the grant of the relevant Share Award under this Scheme and which shall be payable by the relevant Selected Participants.
- 10.2 This Scheme shall not form part of any contract of employment or contract for service (as the case may be) between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office, employment or service shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office, employment or service for any reason.
- 10.3 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Awarded Shares themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 10.4 Any notice or other communication between the Company, any Selected Participant and/or the Trustee may be given by sending the same by pre-paid post or by personal delivery to:
- (a) in the case of the Company, the registered office in Hong Kong or such other address as notified by the Company to the Selected Participant and/or the Trustee from time to time;
 - (b) in the case of the Trustee, the registered office or principal place of business in Hong Kong or such other address as notified by the Trustee to the Company from time to time; and
 - (c) in the case of any Selected Participant, his address as notified by such Selected Participant to the Company from time to time.

Notices may also be sent electronically to recipients by sending it to the address notified by the recipient to the other parties from time to time for receipt of electronic notices.

- 10.5 Any notice or other communication:
- (a) by the Company or the Trustee shall be deemed to have been served (i) 24 hours after the same was put in the post, if served by post, (ii) when delivered, if delivered by hand, and (iii) at the time of transmission if no delivery failure notification is received by the sender 24 hours after transmitting the message, if sent electronically; and

- (b) by a Selected Participant shall not be deemed to have been received until the same shall have been received by the Company or the Trustee (as the case may be).
- 10.6 The Company shall not be responsible for any failure by any Selected Participant to obtain any consent or approval required for such Selected Participant to participate in this Scheme or for any tax, duty, expenses, fees or any other liability to which he may become subject as a result of his participation in this Scheme.

11. GOVERNING LAW

- 11.1 This Scheme shall operate subject to the Articles.
- 11.2 This Scheme and the Shares granted under this Scheme shall be governed by and construed in accordance with the laws of Hong Kong.