

**Adopted by an Ordinary Resolution of the  
Shareholders of Maxnerva Technology Services  
Limited on [\*] 2023**

**Maxnerva Technology Services Limited**

**雲智匯科技服務有限公司**

**(Incorporated in Bermuda with limited liability)**

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**SHARE OPTION INCENTIVE SCHEME  
RULES**

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## TABLE OF CONTENTS

	<b>Page</b>
1. PURPOSE OF THE SCHEME.....	2
2. DEFINITIONS AND INTERPRETATION .....	3
3. CONDITIONS, DURATION AND ADMINISTRATION.....	10
4. OFFER AND GRANT OF OPTIONS .....	11
5. MAXIMUM NUMBER OF SHARES FOR WHICH OPTIONS MAY BE GRANTED .....	13
6. ACCEPTANCE OF OFFERS OF OPTIONS .....	16
7. RIGHTS OF EXERCISE .....	18
8. CLAW BACK MECHANISM IN RELATION TO ELIGIBLE PARTICIPANTS .....	21
9. EXERCISE OF OPTIONS .....	21
10. ADJUSTMENTS.....	23
11. LAPSE OF OPTION .....	24
12. ADMINISTRATION .....	24
13. VARIATIONS AND TERMINATION .....	26
14. GOVERNING LAW .....	28

**Maxnerva Technology Services Limited**  
雲智匯科技服務有限公司  
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**SHARE OPTION SCHEME RULES**

**1. PURPOSE OF THE SCHEME**

- 1.1. The Scheme is a share incentive scheme. The purpose of the Scheme is to recognise and acknowledge the contributions of the Eligible Participants to the Group by granting Options to them as incentives or rewards. The Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:
- (a) to motivate the Eligible Participants to optimise their performance and efficiency for the benefit and long-term growth and profitability of the Group; and
  - (b) to attract and retain or otherwise maintain the best available personnel of the Group.
- 1.2. The Board (including independent non-executive Directors) is of the view that apart from the contributions of Employee Participants such as full time or part time employees, directors, members of the management of the Company, the success and long-term development of the Group may also be attributed to the efforts, support, assistance, guidance, contribution, and co-operation of non-employees (including Related Entity Participants and Service Providers). It is in the interests of the Group as a whole that these non-employees would also be eligible for the Scheme, and be provided with the incentives to contribute to the Group's long-term growth and development.
- 1.3. The basis of eligibility of any of the Eligible Participants to the grant of Options shall be determined by the Board from time to time and on a case-by-case basis at its absolute discretion on the basis of his/her contribution or potential contribution to the development and growth of the Group. The Board's decision shall be final and binding on all persons who may be affected thereby. In general, the basis of eligibility of Employee Participants, Related Entity Participants and Service Providers is as follows:-
- (a) in relation to Employee Participants, the Board will consider, among others, their overall individual work performance, time commitment, working experience, responsibilities, leadership and/or employment conditions according to the prevailing market practice and industry

standard, or where appropriate, their contribution to the profits, revenue, sales, or business development of the Group;

- (b) in relation to Related Entity Participants, the Board will consider, among others, their length of the collaborative relationship with the Group, their actual degree of involvement in, participation in, cooperation with and contribution to the development of the Group and/or the extent of benefits, support, guidance, expertise and synergies brought to the Group;
- (c) in relation to Service Providers, the Board will consider, among others, their experience, expertise, frequency, continuity, and length of their business relationship with the Group, the materiality and nature of the business relationship, their actual involvement in promoting the business of the Group, or where appropriate, their actual contribution or potential contribution to the long-term growth of the Group. The Company will also take in account of the nature of the services provided to the Group, their track record and the quality of the services provided and whether such services are of continuing or recurring nature in the ordinary and usual course of business which are considered beneficial to the long-term growth

## 2. DEFINITIONS AND INTERPRETATION

2.1. In these rules, unless the context otherwise requires, the following words and expressions shall have the following meaning

- “Adoption Date”** means [\*] 2023, being the date on which this Scheme was adopted by an ordinary resolution of the Shareholders;
- “Adjustment Event”** means any variation in the share capital of the Company in the event of a capitalisation issue, bonus issue, rights issue, open offer, sub-division or consolidation of shares or reduction of capital;
- “associate”** has the meaning ascribed to it under the Listing Rules;
- “Auditors”** means the auditors for the time being of the Company;
- “Bermuda”** means the Islands of Bermuda;

<b>“Board”</b>	means the board of Directors or a duly authorized committee thereof;
<b>“Business Day”</b>	means a day on which the Stock Exchange is open for the business of trading of securities;
<b>“the Bye-Laws”</b>	means the bye-laws of the Company for the time being in force;
<b>“chief executive”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“close associate”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Company”</b>	means Maxnerva Technology Services Limited 雲智匯科技服務有限公司, a company with limited liability incorporated in Bermuda;
<b>“Companies Ordinance”</b>	means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“core connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Directors”</b>	means the directors of the Company from time to time;
<b>“Disability”</b>	shall have the meaning as defined under the long-term disability policy, if any, of the Company or the relevant Subsidiary to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the Company or the relevant Subsidiary to which the Grantee provides services does not have a long-term disability policy in place, “Disability” shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less

than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its sole discretion;

**“Eligible Participant(s)”**

means (a) the Employee Participant(s); (b) Related Entity Participant(s); (c) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above categories;

**“Employee Participant(s)”**

means any employee (whether full-time or part-time, including any Directors, whether executive or non-executive and whether independent or not) of the Company or any of its Subsidiaries (and including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies);

**“Exchange Listing Rules”**

means the Listing Rules, any listing agreement or other contractual arrangement entered into with any party pursuant thereto, and rulings of the Stock Exchange made in pursuance thereof;

**“Exercise Price”**

means the price per Share payable on the exercise of an Option as determined by the Board and shall at least be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which shall be a Business Day; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the Offer Date;

or (where applicable) such price as from time to time adjusted pursuant to Clause 10 below in accordance with Rule

	17.03(13) of the Listing Rules;
<b>“family member”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Grantee”</b>	means any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) a person who is entitled to any such Option by operation of law or otherwise in consequence of the death of the original Grantee (being an individual);
<b>“Group”</b>	means the Company and its Subsidiaries at the relevant time and a <b>“member of the Group”</b> means any of the foregoing;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“inside information”</b>	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
<b>“Listing Committee”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Model Code”</b>	means the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules from time to time;
<b>“Offer”</b>	means an offer by the Company to grant an Option in accordance with Clause 4.1;
<b>“Offer Date”</b>	means the date on which an Offer is made to an Eligible Participant;
<b>“Option”</b>	means an option or right to subscribe for Shares pursuant to the Scheme;
<b>“Option Period”</b>	means a period to be determined by the Board at its absolute discretion (provided

that the period shall not be more than ten (10) years from the Offer Date) and notified by the Board to an Eligible Participant as the period during which an Option may be exercised (subject to any restrictions on the exercise of the Option as may be imposed by the Board);

- “Other Schemes”** means other than this Scheme, all the schemes or arrangements involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share option scheme as described in Chapter 17 of the Listing Rules;
- “Related Entity Participant(s)”** means any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company;
- “Remuneration Committee”** means the remuneration committee established by the Board from time to time;
- “Scheme”** means the scheme in its present form or as from time to time amended in accordance with the provisions hereof;
- “Scheme Period”** means the period commencing on the Adoption Date and expiring at 5:00 p.m. on the Business Day immediately preceding the tenth anniversary of the Adoption Date unless terminated earlier by the Shareholders in general meeting;
- “Senior Manager”** means a senior manager disclosed in the Company’s annual report as required under paragraph 12 of Appendix 16 to the Listing Rules (as may be amended from time to time);
- “Service Provider(s)”** means any person providing services to the Group on a continuing or recurring nature in the ordinary and usual course of business of the Group, the grant of



Options to whom is in the interests of the long-term growth of the Group as determined by the Group:

- (i) any person providing, including but not limited to, information technology related, project delivery, innovations and research and development services to the Group as consultants, independent contractors, or agents where the continuity and frequency of their services are akin to those of employees;
- (ii) any person providing, including but not limited to, sales and marketing development services to the Group as consultants, independent contractors, or agents where the continuity and frequency of their services are akin to those of employees;
- (iii) any person providing, including but not limited to, business development related services within the industry of smart manufacturing, smart and new retail solution businesses and strategic advice on the Group's corporate and product strategies and marketing positioning on a corporate level to the Group as consultants, independent contractors, or agents where the continuity and frequency of their services are akin to those of employees; and
- (iv) any person providing compliance and company secretarial services to the Group as consultants, independent contractors, or agents where the continuity and frequency of their services are akin to those of employees;

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of

the Company or its subsidiaries, (ii) professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;

**“Share(s)”** means a share(s) in the share capital of the Company;

**“Shareholder”** means the duly registered holder from time to time of the shares in the capital of the Company;

**“Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

**“Subscription Price”** means an amount equal to the Exercise Price multiplied by the relevant number of Shares in respect of which the Option is exercised;

**“Subsidiary”** means a subsidiary or subsidiaries (within the meaning of the Companies Ordinance) for the time being and from time to time of the Company whether incorporated in Hong Kong, Bermuda or elsewhere;

**“Substantial Shareholder”** has the meaning ascribed to it under the Listing Rules;

**“Vesting Date”** means in relation to any Grantee, the earliest date stated in the Offer on which the Option (or a tranche thereof) granted to him/her may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Option;

**“Vesting Period”** means in relation to any Grantee, the period commencing on the date on which the Grantee accepts the Option granted to him/her and ending on the Vesting Date (both dates inclusive);

**“%”** means per cent.

2.2. References to the singular include the plural, references to any one gender include every gender, references to persons include bodies

corporate and unincorporated; and (in each case) vice versa.

- 2.3. References to the Clauses are to the clauses herein under the Scheme unless the context otherwise requires.
- 2.4. References to the Rules are to the Listing Rules unless the context otherwise requires.
- 2.5. Headings used in these rules are for convenience only and shall not affect their interpretation.
- 2.6. References to any statute or statutory provision or the Listing Rules shall be construed as references to such statute or statutory provision or the Listing Rules as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification) or regulatory bodies, and shall include any subsidiary legislation enacted under the relevant statute.

### **3. CONDITIONS, DURATION AND ADMINISTRATION**

- 3.1. The Scheme is conditional upon:
  - (a) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company approving the adoption of the Scheme;
  - (b) the Listing Committee granting approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued by the Company pursuant to the exercise of any Option in accordance with the terms and conditions of the Scheme.
- 3.2. If the conditions set out in Clause 3.1 are not fulfilled within six (6) calendar months after the Adoption Date (or such later date as the Shareholders may agree), then:
  - (a) the Scheme shall forthwith terminate;
  - (b) any Option granted or agreed to be granted pursuant to these rules and any Offer shall forthwith lapse and be of no effect; and
  - (c) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Scheme, or under or in respect of any outstanding Offer or Option.
- 3.3. Subject to Clause 13.3, the Scheme shall be valid and effective for the Scheme Period, after which no further Options may be granted but in all other respects the provisions of the Scheme shall remain

in full force and effect.

- 3.4. The Scheme shall be subject to all the applicable laws, rules and regulations and requirements of the competent authorities and shall be subject to the administration of the Board whose decision (save as otherwise provided herein and in the absence of manifest error) shall be final and binding on all parties.

#### **4. OFFER AND GRANT OF OPTIONS**

- 4.1. On and subject to the terms of the Scheme, the Board may, on a Business Day during the Scheme Period, at its absolute discretion (and subject to any conditions as it may think fit) make an offer in writing (in such form as the Board may from time to time determine) to an Eligible Participant an Option to subscribe at the Exercise Price for such number of Shares as the Board may determine, save and except that in addition to the Shareholders' approval set out in Clause 5.1(c), Clause 5.1(d) and Clause 5.3, any grant of Options to a Director, chief executive or Substantial Shareholder of the Company or any of their respective associates must be approved by all independent non-executive Directors excluding any independent non-executive Director who is a Grantee.
- 4.2. Save and except that in addition to the Shareholders' approval set out in Clause 5.1(c), Clause 5.1(d) and Clause 5.3, any grant of Options to an independent non-executive Director or a Substantial Shareholder of the Company or any of their respective associates must be approved by the Shareholders of the Company other than those who are Grantees, their associates and all core connected persons of the Company for grants of Options in excess of 0.1% of the Shares in issue over any period of twelve (12) consecutive months.
- 4.3. In the circumstances described in Clause 4.1 and Clause 4.2, the Company shall dispatch a circular to the Shareholders together with the notice of the relevant general meeting. The grantees, their associates and all core connected persons of the Company shall abstain from voting at such general meeting. The Company shall comply with the requirements under Rule 13.40, Rule 13.41 and Rule 13.42 of the Listing Rules. The circular shall contain:
- (a) the details of the number and terms of Options to be granted to each grantee, which shall be fixed before the general meeting;
  - (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole,

and their recommendation to the independent Shareholders as to voting; and

- (c) the information required under Rule 17.02(2)(c) and Rule 2.17 of the Listing Rules.

The date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

- 4.4. The Board shall not grant or offer an Option to any Eligible Participant:

- (a) after any inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in accordance with the requirements of the Listing Rules. In particular, no Offer may be made during the period commencing one month immediately before the earlier of:

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

and ending on and including the date of the results announcement; and for the avoidance of doubt, no Option may be granted during any period of delay in publication of a results announcement.

- (b) the Directors must not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code or any corresponding code or securities dealing restrictions adopted by the Company.

- 4.5. Any agreement for the grant of Options or Offer made pursuant hereto shall be subject to these rules and shall be subject to any adjustments made pursuant to the Scheme at any time and from time to time.

- 4.6. Subject to the rules of the Scheme, the Board may at its discretion, when making an Offer, impose any conditions, restrictions or

limitations in relation thereto as it may think fit, including but not limited to the achievement of any appraisal measures and/or performance targets as amended at any time and from time to time.

- 4.7. The Directors shall have the authority, after the grant of any Option, to make fair and reasonable imposition of or adjustments to performance targets during an Option Period if there is a change in circumstances, provided that any such performance targets or adjustments to such performance targets thereto are clearly communicated to the Grantee in writing and are considered fair and reasonable by the Directors.
- 4.8. No Director shall deal in any securities of the Company unless he fully complies with the provisions of the Model Code.

**5. MAXIMUM NUMBER OF SHARES FOR WHICH OPTIONS MAY BE GRANTED**

- 5.1. Subject to Clause 5.2 below:
- (a) the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any Other Schemes shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the "**Limit**") unless further Shareholders' approval has been obtained pursuant to Clause 5.1(c) and Clause 5.1(d) below, provided that Options lapsed in accordance with the terms of the Scheme and Other Schemes will not be regarded as utilised for the purpose of calculating the Limit;
  - (b) Within the Limit under Clause 5.1(a) above, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the Scheme together with options which may be granted under any Other Schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 2 % of the issued share capital of the Company as at the Adoption Date (the "**Sublimit**"), provided that Options lapsed in accordance with the terms of the Scheme and Other Schemes will not be regarded as utilised for the purpose of calculating the Sublimit.
  - (c) The Sublimit shall be separately approved by Shareholders in general meeting.
  - (d) The basis for determining the Sublimit includes the potential dilution effect arising from grants to Service Providers, the importance of striking a balance between achieving the purpose of the Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group's

revenue or profits which is attributable to Service Providers and the extent of use of Service Provider in the Group's business. Considering the fact that (i) the individual limit under Rule 17.03D(1) of the Listing Rules is also 1%; (ii) the sublimit of 2% would not lead to excessive dilution of existing Shareholders' shareholdings; (iii) there is no other share schemes involving grant of options over new Shares of the Company; (iv) due to the hiring practice and organisational structures of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (v) the Service Providers have contributed to the long-term growth of the Company's business, and that the Scheme could incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis, the Board is of the view that the Sublimit is appropriate and reasonable.

- (e) if the Company conducts a share consolidation or subdivision after the Limit and/or Sublimit has been approved in general meeting, the maximum number of shares that may be issued in respect of all Options to be granted under the Scheme and Other Schemes under the Limit and/or 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;
- (f) the Company may seek approval by Shareholders in general meeting to refresh the Limit and/or Sublimit provided that:
  - (i) the Limit and/or Sublimit as refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed Limit;
  - (ii) a circular containing the number of Options that were already granted under the existing Limit and/or Sublimit and the reason for the refreshment shall be despatched to the Shareholders together with the notice of the relevant general meeting;
  - (iii) the Limit and/or Sublimit may be refreshed by Shareholders' approval once every three years;
  - (iv) any refreshment of the Limit and/or Sublimit within any three-year period must be approved by the independent Shareholders, being any Shareholders other than controlling Shareholders and their associates

or, where there is no controlling Shareholder, any Shareholders other than the Directors (excluding independent non- executive Directors) and the chief executive of the Company and their respective associates and the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules; and

- (v) the requirements under Clause 5.1(f)(iii) and (iv) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the 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 (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole share.
  - (g) the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the Limit or the refreshed Limit (as the case may be) provided that the Options in excess of the Limit or the refreshed Limit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought and provided further that a circular containing the name of each of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose shall be despatched to the Shareholders together with the notice of the relevant general meeting. The number and terms of Options to be granted to such participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price.
- 5.2. The total number of Shares issued and to be issued upon the exercise of all Options granted to each Eligible Participant (excluding any Options lapsed in accordance with the terms of the Scheme) in any period of twelve (12) consecutive months up to and including the date of such grant shall not exceed 1% of the Shares in issue.
- 5.3. The Company may grant further Options in excess of the limit set out in Clause 5.2, subject to Shareholders' approval in general meeting, at which the Eligible Participant involved and his/her close associates (or his/her associates if the Eligible Participant is



a connected person) shall abstain from voting, and the following provisions shall apply:

- (a) a circular containing the identity of the Eligible Participant involved, the number and terms of Options to be granted (and those previously granted to such participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose shall be despatched to the Shareholders together with the notice of the relevant general meeting;
- (b) the number and terms of Options to be granted to the Eligible Participant involved shall be fixed before the general meeting; and
- (c) the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

## **6. ACCEPTANCE OF OFFERS OF OPTIONS**

- 6.1. An Offer shall be open for acceptance by the Eligible Participant concerned for a period of twenty-one (21) days from the date upon which it is made, and it shall be in whole or in part, in a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and in writing received by any of the Directors or the secretary of the Company until 5:00 p.m. on the date specified in the Offer (or at such other time and in such other manner as the Board may otherwise determine, including but not limited to an agreement in relation to the grant of the Options between an Eligible Participant and the Company) provided that no Offer shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof.
- 6.2. An Option shall be personal to the Grantee and shall not be transferable or assignable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any other person over or in relation to any Option or otherwise use the Options as security or to repay debts, except for the designation of a beneficiary or beneficiaries to receive the rights and benefits of his/her Option or the transmission of the Option to his/her personal representative(s) in the event of his/her death, on the terms of this Scheme. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company. The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the

benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with Chapter 17 of the Listing Rules. Where such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

6.3. The Vesting Period in respect of any Option granted to any Eligible Participant shall not be less than twelve (12) months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (a) an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the Remuneration Committee shall, or
- (b) an Employee Participant who is neither a Director nor a Senior Manager specifically identified by the Company, the Board shall

have the authority to determine a shorter Vesting Period under the following circumstances:

- (i) grants of “make-whole” Options to new Employee Participants to replace the options such Employee Participants forfeited when leaving the previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or ill health or Disability or occurrence of any out of control event;
- (iii) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
- (iv) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6.4. An Eligible Participant shall pay a non-refundable amount of HK\$1.00 (or such non-refundable nominal sum in any currency as the Board may determine) in favour of the Company on acceptance of an Offer. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Participant together with the said consideration of HK\$1.00 is received by the Company.

6.5. Offers not accepted within the period referred to in Clause 6.1 and in the manner set out in this rule shall be deemed to have been

irrevocably declined and lapsed automatically without notice.

## **7. RIGHTS OF EXERCISE**

7.1. Subject to terms of the Scheme (including but not limited to Clauses 7.1, 7.2 and 8) and the terms and conditions of the relevant Offer(s), Options may be exercised by an Eligible Participant in whole or in part, at any time during the Option Period, provided that:

- (a) in the event of death of a Grantee (being an individual) before exercising the Option in full, his/her legal personal representatives may exercise the Option up to the Grantee's entitlement (to the extent vested as at the date of his/her death and not exercised) within the period of twelve (12) months following his/her death or such longer period as the Board may determine;
- (b) where the Grantee is an Employee Participant at the time of the grant of the relevant Option(s) and his/her employment or service to the Group is terminated on the ground of ill health, Disability or retirement, the Grantee may exercise the Option (to the extent vested as at the date on which such Grantee ceases to be an Employee Participant and not exercised) within six (6) months following such cessation or such longer period as the Board may determine;
- (c) subject to Clause 8, where a Grantee is an Employee Participant at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee Participant but becomes, or continues to be, a Related Entity Participant (whether as a director or as an employee), then the Option(s) (to the extent vested as at the date on which such Grantee ceases to be an Employee Participant and not exercised) granted prior to the date of his/her becoming a Related Entity Participant (whether as a director or as an employee) shall remain exercisable until its expiry in accordance with the provisions of this Scheme and the terms and conditions upon which such Option(s) is granted unless the Board shall determine to the contrary;
- (d) subject to Clause 8, where a Grantee is a Related Entity Participant or Service Provider at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be a Related Entity Participant or Service Provider but becomes, or continues to be, an Employee Participant (whether as a director or as an employee), then the Option(s) (to the extent vested as at the date on which such Grantee ceases to be a Related Entity Participant or Service Provider and not exercised) granted prior to the date of his/her

becoming an Employee Participant (whether as a director or as an employee) shall remain exercisable until its expiry in accordance with the provisions of this Scheme and the terms and conditions upon which such Option(s) is granted unless the Board shall determine to the contrary;

- (e) subject to Clause 8, in the event of a Grantee who is an Eligible Participant ceases to be an Eligible Participant for any reason other than death, ill health, Disability or retirement, his/her Option (to the extent vested as at the date of the relevant event and not exercised) shall lapse on the date of cessation;
- (f) subject to Clause 8, in the event of the Grantee who is a Service Provider ceases to be a Service Provider by reason of a breach of contract entered into between such Service Provider and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute), the Option (to the extent vested as the date of the relevant event and not exercised) shall lapse on the date of the Board's determination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted shall be deemed not to have so exercised and the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option shall be returned;
- (g) if a general offer or partial offer, (whether by way of takeover offer as defined in the Codes on Takeovers and Mergers and Share Buy-backs or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional, each Grantee shall be entitled to exercise the Option (to the extent vested as at the date on which the general offer becomes or is declared unconditional and not exercised) in full or in part at any time within fourteen (14) days after the date on which the offer becomes or is declared unconditional;
- (h) in the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the

purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to all Grantees and each Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than five (5) Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the Option (to the extent vested as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than one (1) Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof; and

- (i) in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantee on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme of arrangement, and thereupon each Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than five (5) Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the Option (to the extent vested as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than one (1) Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof. In the event that the Grantee does not exercise all or any of his/her Option before the specified timeframe, and provided that the then market price of the Option is higher than the Exercise Price of the Option, the Board may in its sole discretion, sell the Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Option is lower than the Exercise Price of the Option

or the Board in its sole discretion not to sell the Option on the market, the Option will automatically lapse.

- 7.2. Subject to Clause 13.1, the Option Period shall not be extended and, on expiry of the Option Period, all rights in respect of an Option shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its duties under the Scheme in relation to the exercise. No Option may be exercised after the expiry of the Option Period.

## **8. CLAW BACK MECHANISM IN RELATION TO ELIGIBLE PARTICIPANTS**

Upon the occurrence of any of the following in relation to an Eligible Participant, all his/her Options which have not yet been exercised shall lapse automatically, and the Company shall propose that no new Options shall be granted to him/her and shall claw back the gain of the Eligible Participant derived from the Options:

- (a) the results of the economic responsibility audit and other reports proved that he/she is involved in serious misconduct or malfeasance; or
- (b) an Eligible Participant has, during his/her term of employment and/or tenure of office, been involved in bribery, corruption, theft, disclosure and/or leakage of trade and technical secrets, carrying out of connected transactions and other unlawful acts and misconducts, which impaired the interest and reputation of and caused significant negative impact to the image of the Company.

## **9. EXERCISE OF OPTIONS**

- 9.1. Subject to the terms of the Scheme (including but not limited to Clauses 7 and 8) and the terms and conditions of the relevant Offer(s), Options may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the secretary of the Company (or such other officers or department as the Board may designate from time to time) must, prior to the expiry of the Option Period, have received:

- (a) a written notice exercising the Option, signed by or on behalf of the Grantee and specifying the number of Shares in respect of which the Option is being exercised;
- (b) payment in full of the Subscription Price by cheque, banker's draft, cashier's order or such other method as the Board shall approve and the receipt of such a remittance; and

- (c) where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers.

Unless otherwise agreed between the Company and the Grantee, Shares in respect of an Option shall be issued within twenty-one (21) days of the date upon which the exercise of the Option becomes effective (being the date of such receipt).

- 9.2. No Option shall be capable of exercise in part (other than to the full extent outstanding) except in amounts or multiples, subject to adjustment on the occurrence of any Adjustment Event, of board lots for Shares as for the time being traded on the Stock Exchange.
- 9.3. A Share to be allotted and issued upon the exercise of an Option shall not carry any rights to vote at general meetings of the Company nor any right to dividends, transfer or other rights attaching to the Shares until the registration of the Grantee (or any other person nominated by the Grantee) as the holder thereof in the register of members of the Company. If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option becoming effective in the manner referred to in Clause 9.1, a dividend or other distribution is to be or is proposed to be paid or made to the Shareholders by reference to a record date prior to the date of entry of such Grantee in the register of members of the Company, the Shares to be allotted and issued upon the exercise will not rank for such dividend or distribution. Subject as aforesaid, Shares allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the Shares in issue on the date of the entry of such Grantee in the register of members of the Company including in respect of those rights arising on a liquidation of the Company.
- 9.4. All allotments and issues of Shares will be subject to the Bye-Laws and any necessary consents under any relevant enactments or regulations for the time being in force in Hong Kong, Bermuda and any other relevant jurisdictions and it shall be the responsibility of the Grantee to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any consent. The Company shall not be responsible for any failure by the Grantee to obtain any such consent or for any tax or other liability to which the Grantee may become subject as a result of his/her participation in the Scheme.
- 9.5. The Company shall use all reasonable endeavours to procure that Shares to be issued upon the exercise of an Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on the Stock Exchange and on those stock exchanges upon which Shares already in issue are listed.

- 9.6. Any Options granted but not exercised may be cancelled subject to written approval by the relevant Grantee and the prior approval of the Directors. Issuance of new Options to the same Grantee may only be made by the Company under the Scheme within the Limit approved by Shareholders pursuant to Rule 17.03B or Rule 17.03C of the Listing Rules. The Options cancelled will be regarded as utilised for the purpose of calculating the Limit and Sublimit.

## 10. ADJUSTMENTS

- 10.1. Upon the occurrence of any Adjustment Event, the Company may make adjustments to the number of Shares comprised in each Option and/or the Exercise Price thereunder and/or the limit in Clause 9.2 may, subject to the compliance with the applicable laws and rules (including the note to Rule 17.03(13) of the Listing Rules and/or the rules, requirements and guidelines issued by the Stock Exchange from time to time), the terms of the Offer made pursuant to Clause 4.1 and the provisions in Clause 10.3, in any manner as the Board may deem appropriate.

- 10.2. For the avoidance of doubt, the issue of securities as consideration in a transaction shall not be regarded as an Adjustment Event and consequently no adjustment shall be required as a result thereof.

- 10.3. For the occurrence of any Adjustment Event before the exercise of an Option, the Shares comprised in such Option shall be adjusted with reference to the following methods:

- (a) Capitalisation issue, bonus issue or sub-division of Shares

Number of Shares comprised in each Option after adjustment = number of Shares comprised in each Option before adjustment x (1 + rate of increase per Shares resulting from capitalisation issue, bonus issue or sub-division of Shares)

- (b) Consolidation of Shares

Number of Shares comprised in each Option after adjustment = number of Shares comprised in each Option before adjustment x ratio of consolidation of Shares

- (c) Rights issue or open offer

Number of Shares comprised in each Option granted after adjustment = number of Shares comprised in each Option before adjustment x closing price on the shareholding registration date x (1 + ratio of the rights issue or open offer) ÷ (closing price on the shareholding registration date)



+ price of the rights issue or open offer x ratio of the rights issue or open offer)

(d) Reduction of capital

Such method in compliance with applicable laws and rules (including the note to Rule 17.03(13) of the Listing Rules and/or the rules, requirements and guidelines issued by the Stock Exchange from time to time) as the Board may determine.

The adjustments made pursuant to this Clause 10.3 are subject to compliance with the applicable laws and regulations (including the note to Rule 17.03(13) of the Listing Rules and/or the rules, requirements and guidelines issued by the Stock Exchange from time to time).

Any such adjustments shall be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company (rounded to the nearest whole Share) as that to which he/she was entitled before such adjustment. No such adjustment shall be made to the extent that a share would be issued at less than its nominal value (if any). In relation to such adjustments other than that made on a capitalisation issue, an independent financial adviser or Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements of the note to Rule 17.03(13) of the Listing Rules.

**11. LAPSE OF OPTION**

11.1. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of Clause 6.2;
- (c) the expiry of the periods referred to in Clauses 7.1(a), 7.1(b), 7.1(c), 7.1(d), 7.1(g) and 7.1(h);
- (d) the occurrence of any event specified in Clauses 7.1(e), 7.1(f) and 7.1(i); and
- (e) the occurrence of any event specified in Clause 8.

**12. ADMINISTRATION**

12.1. Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal

place of business in Hong Kong from time to time and, in the case of the Grantee, his/her address or fax number or e-mail address as notified to the Company from time to time.

- 12.2. Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or delivered by hand or by courier or by fax or by internet to the e-mail address of the Grantee as notified to the Company from time to time; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 12.3. The Company shall procure that Grantees receive copies of all notices and documents sent by the Company to the Shareholders generally at the same time or within a reasonable time of any such notices and documents being sent to Shareholders.
- 12.4. The Company shall at all times keep available for allotment enough unissued Shares of the Company to satisfy all Options for the time being unexercised and Offers which are outstanding.
- 12.5. Any dispute arising in connection with the Scheme (whether as to the number of Shares, the subject of an Option, (whether applicable) whether all or part of the Option has been vested, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be forwarded to the Board. The decision of the Board in any disputes in connection with the Scheme shall be final, conclusive and binding on the Grantee and all persons who may be affected thereby.
- 12.6. The Company shall bear the costs of establishing and administering the Scheme.
- 12.7. A Grantee shall, before accepting an Offer or exercising his/her Option, obtain all necessary consents and approvals that may be required to enable him/her to accept the Offer or to exercise the Option and the Company to allot and issue to him/her in accordance with the provisions of the Scheme the Shares falling to be allotted and issued upon the exercise of his/her Option. By accepting an Offer or exercising his/her Option, the Grantee thereof is deemed to have represented to the Company that he/she has obtained all such consents and approvals. Compliance with this Rule shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his/her Options.

- 12.8. A Grantee shall pay all tax and discharge all other liabilities to which he/she may become subject as a result of his/her participation in the Scheme or the exercise of an Option.
- 12.9. By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant subject to the provisions of the Scheme and to have waived any entitlement to any sum or other benefit to compensate him/her for loss of any rights under the Scheme.
- 12.10. The Board shall have power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with these rules.

### **13. VARIATIONS AND TERMINATION**

- 13.1. Subject to Clause 13.7 and Clause 13.9, the Board may from time to time in its absolute discretion waive or amend any of the rules of the Scheme as it deems appropriate, provided that, except with the prior approval by the Shareholders in general meeting, no alteration shall be made to any of the terms and conditions of the Scheme which are of a material nature or the rules relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees (present or future) or Eligible Participants, including without limitation:
- (a) the definition of “Eligible Participant”;
  - (b) the total amount of Shares subject to the Scheme;
  - (c) the maximum entitlement for any Eligible Participant under the Scheme;
  - (d) the Option Period;
  - (e) the Exercise Price and the basis for determining the same;
  - (f) the voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, attaching to the Shares and to any Options (if appropriate);
  - (g) the Scheme Period;
  - (h) rules relating to adjustment to the Subscription Price;
  - (i) rules relating to adjustment to the number or amount of Shares subject to Options already granted; and
  - (j) rules relating to adjustment to the Scheme on the occurrence of an Adjustment Event.

- 13.2. No amendments to the Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Grantees except with any consent on their part as would be required under the provisions of the Company's constitution if the Options constituted a separate class of share capital and if the provisions applied mutatis mutandis thereto.
- 13.3. The Company by an ordinary resolution in general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Scheme.
- 13.4. The Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Eligible Participant who is an employee of the Group and the rights and obligations of any Eligible Participant under the terms of his/her office or employment 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 shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 13.5. The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 13.6. Under no circumstances shall a person ceasing to be an Eligible Participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his/her rights or benefits (actual or prospective) under any Options then held by him/her or any Offer or otherwise in connection with the Scheme.
- 13.7. Any change to the terms of Options granted to an Eligible 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 Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). Any change in the terms of Options granted to a Director, chief executive of the Company or Substantial Shareholder, or any of their respective associates, must be approved by the Shareholders if the initial grant of the Options

requires such approval. This provision does not apply where the alterations take effect automatically under the existing terms of the Scheme.

13.8. Any alteration to the authority of the Board in relation to any alteration to the terms of the Scheme must be approved by the Shareholders of the Company in general meeting.

13.9. The terms of the Scheme and/or the Options as amended must still comply with the Listing Rules and other applicable laws and rules.

#### **14. GOVERNING LAW**

The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.