

**Netjoy Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

**SHARE AWARD SCHEME**

Conditionally approved and adopted by the Company pursuant to the resolution  
of the shareholders of the Company dated [••], 2023

## 1. DEFINITIONS AND INTERPRETATION

(A) In these rules of this Scheme, unless the context otherwise requires, the following words and expressions shall have the meaning shown opposite to them below:

- “Adoption Date”** the date on which this Scheme is adopted by the Shareholders;
- “Auditors”** the auditors for the time being of the Company;
- “Award”** an award of the Awarded Shares by the Board pursuant to Paragraph 5.2(A) to a Selected Participant;
- “Awarded Share(s)”** in respect of a Selected Participant, such number of Shares as awarded by the Board;
- “Board”** the board of Directors and if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of Directors to administer the Scheme;
- “Business Day”** a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
- “Cause”** with respect to a Selected Participant:
- (i) any commission of an act of theft, embezzlement, fraud, dishonesty, serious misconduct, ethical breach or other similar acts, or commission of a felony or a lesser crime involving moral turpitude as determined by the Board in its sole discretion, whether or not in connection with his employment or engagement by any member of the Group or associated company and Related Entity and whether or not it has resulted in his employment or engagement being terminated;
  - (ii) any conviction of any criminal offence or any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time;

- (iii) any material breach of any agreement or understanding between the Selected Participant and a Group Company as determined by the Board in its sole discretion including, without limitation, any applicable intellectual property and/or invention assignment, employment, non-competition, confidentiality or other similar agreement;
- (iv) any material misrepresentation or omission of any material fact as determined by the Board in its sole discretion in connection with the Selected Participant's employment with any Group Company;
- (v) any material failure to perform the customary duties as a Selected Participant or to abide by the policies or codes of conduct of any Group Company as determined by the Board in its sole discretion; or
- (vi) any conduct that is materially adverse to the name, reputation or interests of the Group as determined by the Board in its sole discretion;

**“Company”**

Netjoy Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 2131);

**“Competitor(s)”**

any business that is engaged in or is about to become engaged in any activity of any nature that as determined by the Board in its sole discretion competes with a product, process, technique, procedure, device or service of any Group Company. The Board shall determine from time to time in its sole discretion a list of Competitors applicable to the forfeiture provisions set out in Paragraph 5.4(C);

**“connected person(s)”**

has the meaning ascribed to it in the Listing Rules;

**“Contributed Amount”**

cash paid or made available to the Trust by way of settlement or otherwise contributed by the Group, the Group Company and/or associated company as permitted under the Scheme to the Trust as determined by the Board from time to time;

**“controlling shareholder”**

has the meaning ascribed to it in the Listing Rules;

<b>“Deed of Confirmation”</b>	has the meaning ascribed to it in Paragraph 4(C);
<b>“Director(s)”</b>	director(s) of the Company;
<b>“Eligible Participant(s)”</b>	includes Employee Participants and Related Entity Participants;
<b>“Employee Participant(s)”</b>	any director or employee (whether full time or part time) of the Company or any of its subsidiaries (and including persons who are granted award(s) under this Scheme as an inducement to enter into employment or service contracts with these companies);
<b>“Excluded Participant”</b>	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;
<b>“Grant Agreement”</b>	has the meaning ascribed to it in Paragraph 5.2;
<b>“Grant Notice”</b>	has the meaning ascribed to it in Paragraph 5.2;
<b>“Grantee”</b>	any Eligible Participant who accepts an offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Award in consequence of the death of the original Grantee, or the legal personal representative of such person;
<b>“Group”</b>	the Company and its subsidiaries and consolidated affiliated entities; “member of the Group” means any or a specific one of them, and “Group Company” shall be construed accordingly;
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;

<b>“Independent Financial Adviser”</b>	the independent financial adviser for the time being of the Company;
<b>“Independent Shareholders”</b>	Shareholders other than (i) its controlling shareholder(s) and their associates; or (ii) if the Company has no controlling shareholder, the Directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates;
<b>“Initial Mandate Limit”</b>	has the meaning ascribed to it in Paragraph 8(A);
<b>“Listing Committee”</b>	the listing sub-committee of the directors of the Stock Exchange;
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Manager’s Nonfeasance”</b>	act(s) or omission(s) (as determined by the Board in its sole discretion) that have caused material losses to any Group Company due to a Selected Participant’s failure to fully perform his or her management duties;
<b>“Mandate”</b>	the mandate granted or to be granted by the Shareholders at general meetings to grant Awards, options or awards pursuant to this Scheme or any other schemes of the Company up to the Scheme Mandate Limit;
<b>“Post-IPO Share Option Scheme”</b>	the post-IPO share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
<b>“Refreshed Mandate Limit”</b>	has the meaning ascribed to it in Paragraph 8(B);
<b>“Related Entity”</b>	a company which is a holding company or a fellow subsidiary (i.e. a subsidiary of a holding company) of the Company;
<b>“Related Entity Participant”</b>	any director or employee (whether full time or part time) of the holding companies, fellow subsidiaries or associated companies of the Company;

<b>“Residual Cash”</b>	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares;
<b>“Scheme”</b>	the “Netjoy Holdings Limited Share Award Scheme” constituted by the rules hereof, in its present form or as amended from time to time in accordance with the provisions hereof;
<b>“Scheme Mandate Limit”</b>	the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be);
<b>“Selected Participant(s)”</b>	any Eligible Participant selected by the Board pursuant to Paragraph 5.2(A) for participation in the Scheme;
<b>“SFO”</b>	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
<b>“Shareholder(s)”</b>	holder(s) of Shares of the Company;
<b>“Shares”</b>	ordinary shares of US\$0.00005 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary(ies)”</b>	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
<b>“Trust”</b>	the trust constituted by the Trust Deed;
<b>“Trust Deed”</b>	a trust deed to be entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of the Scheme (as restated, supplemented and amended from time to time);

- “Trust Fund”** has the meaning ascribed to it in the Trust Deed;
- “Trust Period”** the period beginning with the Adoption Date and ending upon the first to happen of the following, namely:
- (a) the tenth (10th) anniversary of the Adoption Date;
  - (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or
  - (c) the date as may be informed by the Company that the Scheme shall be terminated;
- “Trustee”** Equiom Fiduciary Services (Hong Kong) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed;
- “Vesting Date”** in respect of a Selected Participant, the date on which his entitlement to the Awarded Shares is vested in such Selected Participant in accordance with Paragraph 5.3 and other terms of the Scheme; and
- “Vesting Notice”** has the meaning ascribed to it in Paragraph 5.3(D).
- (B) In these rules of the Scheme, save where the context otherwise requires:
- (i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of these rules of the Scheme;
  - (ii) references to Paragraphs and Schedules are references to paragraphs and schedules of these rules of the Scheme;

- (iii) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (iv) expressions in the singular shall include the plural and vice versa;
- (v) expressions in any gender shall include other genders; and
- (vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind.

## **2. PURPOSES AND OBJECTIVES**

(A) The specific objectives of the Scheme are to:

- (i) recognise the present and historical contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) encourage and retain such individuals for the continual operation and development of the Group;
- (iii) provide additional incentives for them to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the Selected Participants to maximize the value of the Company for the benefits of both the Selected Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the shareholders of the Company through ownership of Shares.

(B) These rules serve to set out the terms and conditions upon which the incentive arrangement for the Employee Participants and Related Entity Participants shall operate.

## **3. DURATION**

Subject to any early termination as may be determined by the Board pursuant to Paragraph 12, the Scheme shall be valid and effective for a term commencing on the Adoption Date and ending on the expiry of the Trust Period.



#### **4. ADMINISTRATION**

- (A) The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding.
- (B) The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.
- (C) The Company shall keep a record of all information that is necessary for the Trustee to carry out the Scheme (including without limitation the identification information of the Selected Participants, the number of Awarded Shares granted to each Selected Participant, vesting schedule and conditions with respect to each Selected Participant and details of each Selected Participant's securities account to receive the Awarded Shares) and as soon as practicable provide the Trustee with such records (or any update thereof). The Trustee shall be entitled to rely on such information as provided by the Company and/or the Board and the Trustee shall not have any duty or obligation to verify the accuracy of such information as provided.
- (D) This Scheme is conditional upon:
  - (i) the Listing Committee (as defined in the Listing Rules) granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the Awards;
  - (ii) the granting by resolution of the Shareholders in general meeting of a mandate to the Board to grant Awards under this Scheme and any awards or options under other schemes of the Company up to the Scheme Mandate Limit;
  - (iii) the passing of resolutions necessary to approve and adopt the Scheme in the general meeting of the Company.

#### **5. OPERATION OF SCHEME**

##### **5.1 Contribution of funds to the Trust**

- (A) The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary or associated company as directed by the Board which shall constitute part of the Trust Fund, for the subscription of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

- (B) Subject to Paragraphs 5.6(B), 8(A), 8(B), 8(C) and 8(D), in the event that the Awarded Shares are to be allotted and issued as new Shares under the Mandate for the purpose of the Trust, the Board shall cause an amount not less than the nominal value of such new Shares to be allotted and issued be transferred from the Company's resources as soon as practicable as subscription monies for the new Shares and cause to issue and allot such new Shares to the Trustee, which shall be held upon trust for the relevant Selected Participant subject to the terms and conditions set out herein and in the Trust Deed. The Company shall comply with the relevant Listing Rules, in particular Chapter 17 of the Listing Rules, when allotting and issuing any new Shares under the Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued (if such application has not been made).
- (C) Subject to Paragraphs 5.6(B) and 8(A), the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange. Once purchased, the Shares are to be held by the Trustee for the benefit of Selected Participant under the Trust on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.
- (D) As soon as practicable after receiving the notice setting out the instructions from the Company under Paragraph 5.1(C) with respect to the purchase of the Shares on the Stock Exchange and during such period until being notified by the Board to suspend or cease the purchase, the Trustee shall apply such amount of Residual Cash towards the purchase of such maximum board lot of Shares at the prevailing market price according to the instructions set out in the notice. The Trustee shall also pay the related purchase expenses (including for the time being, the brokerage fee, stamp duty, the Securities and Futures Commission transaction levy, the Stock Exchange trading fee and AFRC fee if applicable) and such other necessary expenses required for the completion of the purchase of the Shares out of the Residual Cash. For the avoidance of doubt, the Shares so purchased and the remaining balance of any Residual Cash shall form part of the Trust Fund. The Trustee is not obliged to purchase any Shares unless the prevailing market price of the Shares falls within the range of prices in accordance with Paragraph 5.1(C) and that the Trustee has sufficient funds in the Trust to undertake the purchase of such Shares.

- (E) The Trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. If, for any reason, the Trustee shall not be able to purchase any or all of the Shares with the maximum amount of funds (where a range of prices at which such Shares are to be purchased has been specified by the Board) so specified in the notice within ten (10) Business Days on which the trading of the Shares has not been suspended on the Stock Exchange after being instructed by the Board to do so, the Trustee shall notify the Board in writing. The Board shall then decide on whether to instruct the Trustee to continue with such purchase and the conditions thereof.

## **5.2 Award of Awarded Shares to Selected Participants**

Subject to the provisions of the Scheme, including but not limited to the restrictions set out in Paragraphs 5.6(B) and 8, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant such number of Awarded Shares to any Selected Participant at no consideration (unless the Remuneration Committee and/or the Board at their absolute discretion otherwise determine on a case-by-case basis and state in the Grant Notice to the Selected Participant) and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

- (A) In determining the number of Awarded Shares to be granted to any Selected Participant (excluding any Excluded Participant), the Board shall take into consideration matters including, but without limitation to,
- (a) the present and historical contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
  - (b) the general financial condition of the Group;
  - (c) responsibilities or employment conditions according to the prevailing market practice and industry standard;
  - (d) the length of engagement with the Group and/or the Related Entity(ies);
  - (e) the Group's overall business objectives and future development plan;  
and
  - (f) any other matter which the Board considers relevant.

- (B) Subject to Paragraph 5.3(B), the Board is entitled to impose any condition (including but not limited to a period of continued service within the Group after the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Participant, and shall inform the Trustee and such Selected Participant the relevant conditions of the Award and the Awarded Shares. Notwithstanding any other provisions of the Scheme, subject to applicable laws and regulations, the Listing Rules and this Scheme, the Board shall be at liberty to waive any vesting conditions referred to in this Paragraph 5.2(B).
- (C) Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.
- (D) If the Selected Participant intends to accept the Grant as specified in the award agreement, he/she is required to sign the award agreement to confirm his/her acceptance and return it to the Board within the time period and in a manner prescribed in the award agreement. Upon the receipt from the Selected Participant of a duly executed award agreement and payment of total consideration (if any), the Awards shall be granted to such Selected Participant in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof, and such Selected Participant shall become a Grantee pursuant to this Scheme. To the extent that the Grant or any term or condition set out in the award agreement is not accepted by any selected Participant within the time period or in a manner prescribed in the award agreement, it shall be deemed that such Grant has irrevocably lapsed and terminated and that the Awards that would have been granted under the Grant have immediately lapsed.
- (E) Upon the receipt from the Selected Participant of the duly executed award agreement, the Board shall inform the Trustee of the particulars of the Grantee, including (a) the name, address, and passport/identity card number of the Grantee; (b) the number of Shares underlying the Awards granted to the Grantee; (c) the vesting schedule and the lock-up arrangements upon vesting; and (d) other terms and conditions (if any) in the award agreement.
- (F) As soon as practicable after the receipt of the Grant Agreement and, if applicable, the Deed of Confirmation signed by the Selected Participant, the Board shall in writing notify the Trustee of the details of the Award granted to and accepted by the relevant Selected Participant, including the number of Awarded Shares, the proposed Vesting Date, and vesting conditions (if any), and forward to the Trustee the original executed Deed of Confirmation. The number of Awarded Shares as notified by the Board to the relevant Selected Participant and the Trustee shall constitute the definitive number of Awarded Shares being granted to him.

- (G) There is no general requirement for any performance target that has to be achieved before the vest of any Award except as otherwise imposed by the Board (or any duly authorized committee or person by the Board) and stated in the offer of grant of an Award.

If the Board proposes to impose any performance targets, such performance targets may include: (i) aggregate revenue and/or net profit of the Group generated by the Selected Participant for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) contribution to the branding/reputation of the Group; and/or (iv) other targets to be determined in the sole discretion of the Board. The achievement of performance targets (if any) would be assessed by the Board on annual or half-yearly basis.

- (H) The Board or the relevant committees may determine in its absolute discretion the purchase price of the Award Shares (if any) and the period within which any such payments must be made in the Grant Notice, which shall be based on considerations such as the prevailing market price of the Shares, the purpose of the Awarded Shares and the characteristics and profile of the relevant Selected Participant.

### **5.3 Vesting of Awarded Shares**

- (A) Subject to the terms and conditions of the Scheme Rules and the fulfillment of all conditions for the vesting of the Awarded Shares in the relevant Selected Participant as specified in the Scheme and the Grant Notice, and the receipt by the Trustee of the Deed of Confirmation duly signed by the relevant Selected Participant, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant pursuant to the provision hereof shall vest in such Selected Participant in accordance with the vesting schedule (if any) as set out in the Grant Notice, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with Paragraph 5.3(D)(d).
- (B) The vesting period for the Awarded Shares shall not be less than 12 months or such other period as the Listing Rules may prescribe or permit. Awards granted to an Employee Participant may be subject to a shorter vesting period under specific circumstances as set out below:
  - (a) Grants of "make-whole" Awards to an Employee Participant who is a new joiner to replace the share awards he forfeited when leaving his previous employer(s);

- (b) Grants of “make-whole” Awards to an Employee Participant who is an existing key personnel of a newly acquired Subsidiary of the Company to replace the awards or options he forfeited upon the acquisition of the Subsidiary by the Company. In such case, the vesting period may be shorter to reflect the remaining vesting period in respect of the forfeited awards or options;
- (c) Grants of Awards to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event. In such circumstances, the vesting of an Award may accelerate;
- (d) Grants of Awards with performance-based vesting conditions provided in this Scheme in lieu of time-based vesting criteria;
- (e) Grants of Awards that are made in batches during a year for administrative and compliance reasons. They may include Awards that have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Award would have been granted;
- (f) Grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months;
- (g) the occurrence of an event of change in control of the Company, where by way of offer, merger or scheme of arrangement; or
- (h) Grants of Awards with a total vesting and holding period of more than 12 months.

Save for the above, there are no other circumstances that would result in a vesting period of less than 12 months.

- (C) The Board may at its discretion specify any condition in the offer letter at the grant of the Award which must be satisfied before the Awarded Shares may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the remuneration committee and the Board) of the conditions imposed by the remuneration committee and the Board. The remuneration committee and the Board or person(s) to which the remuneration committee and the Board delegated their authority may either direct and procure the Trustee(s) to release from the Trusts the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by the remuneration committee and the Board from time to time. Save as determined by the Board and provided in the offer letter of the grant of the Award, there is no clawback mechanism for the Company to recover or withhold any Awards granted to any Selected Participant.

- (D) Upon the vesting of the Awarded Shares,
- (a) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, at least thirty (30) Business Days prior to the Vesting Date, the Board shall send to the relevant Selected Participant (or his legal personal representative or lawful successor as the case may be) a notice relating to the vesting of the Awarded Shares, including the number of Awarded Shares which shall become vested on the Vesting Date and any vesting condition (the “**Vesting Notice**”);
  - (b) upon receipt of the Vesting Notice, the Selected Participant (or his legal personal representative or lawful successor as the case may be) is required to reply and confirm the vesting of the Awarded Shares and provide such information as required in the Vesting Notice, including the details of the recipient securities account;
  - (c) unless otherwise determined by the Board, in the event that the Board does not receive the reply from the Selected Participant at least ten (10) Business Days prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Selected Participant shall be automatically forfeited, lapsed and remain as part of the Trust Fund; and
  - (d) subject to the receipt by the Trustee of (a) a notice from the Company confirmation all vesting conditions having been fulfilled and providing vesting details (including without limitation the identification information of the relevant Selected Participant, the number of vested Awarded Shares, and the details of the recipient securities account), and (b) certified copies of the identification documents of the relevant Selected Participant, the Trustee shall transfer the relevant Awarded Shares to the Selected Participant as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date. Notwithstanding anything to the contrary in the Scheme, for proper transfer of the Awarded Shares, the Trustee may require certain transfer documents to be signed by such Selected Participant, in which case the Trustee shall notify the Board at least thirty (30) Business Days before the vesting and the Board shall as soon as practicable arrange for such documents to be signed by such Selected Participant. The Trustee may refuse to carry out the vesting arrangements unless the required signed documents have been received from the Board.
- (E) Unless the Board determines otherwise, prior to the Vesting Date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable and 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 Awarded Shares referable to him pursuant to such Award.

- (F) The Board may at its absolute discretion, with or without further conditions, grant additional Shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Participant upon the vesting of any Awarded Shares. In such case the Board shall notify the Selected Participant and the Trustee and specify the number of additional Shares and cash amount to be granted to the Selected Participant. The Trustee shall transfer the specified number of additional Shares and the cash award, together with the Awarded Shares, to the Selected Participant in accordance with Paragraph 5.3(D)(d).

#### **5.4 Disqualification of Selected Participant**

- (A) In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to Paragraph 5.4(B), the relevant Award made to such Selected Participant shall, to the extent not yet vested, automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.
- (B) Unless the Board determines otherwise, the circumstances under which a Selected Participant shall be treated as having ceased to be a Selected Participant shall include, without limitation, the following:
  - (a) a Selected Participant has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
  - (b) a Selected Participant who is a Director (including independent non-executive Director) ceases to be a Director, unless such Selected Participant remains as an employee of the Group, a Related Entity or an associated company;
  - (c) a Selected Participant ceases to be an employee of a Group Company, a Related Entity or an associated company;
  - (d) the company by which a Selected Participant is employed ceases to be a Group Company or as the case may be, a Related Entity or an associated company;
  - (e) a Selected Participant (whether intentionally or otherwise) commits a breach of Paragraph 5.3(E); or



- (f) the condition(s) to vesting are not capable of being satisfied, as determined by the Board.
- (C) In the event that any of the following event occurs,
- (i) a Selected Participant ceases to be an employee of a Group Company, a Related Entity or an associated company for Cause;
  - (ii) a Selected Participant, during his term of employment or within twelve (12) months of termination of his employment with a Group Company, a Related Entity or an associated company (in each case as determined by the Board):
    - (A) directly or indirectly, establishes, incorporates, forms, enters into, or participates in the business as an owner, partner, principal or shareholder or other proprietor (other than through a purchase on the open market, solely as a passive investment, of not more than five percent (5%) of the interest) of any Competitor;
    - (B) has become, is or becomes an officer, director, employee, consultant, adviser of, or otherwise, directly or indirectly, enters the employ of, continue any employment with or render any services to or for, any Competitor; or
    - (C) knowingly performs or has performed any act that may confer a competitive benefit or advantage upon any Competitor(each of (A), (B) and (C) above a “**Competitive Offence**”);
  - (iii) a Selected Participant has committed any Manager’s Nonfeasance; or
  - (iv) a Selected Participant has violated the confidentiality obligation(s) under any Grant Notice;

the Award, whether vested or unvested, shall automatically lapse as of the date of: (a) the termination for Cause, (b) the commission of a Competitive Offence by such Selected Participant, (c) the commission of a Manager’s Nonfeasance, or (d) the violation of the confidentiality obligation(s) under any Grant Notice, in each case as determined by the Board in its sole discretion and such determination shall be binding on such Selected Participant, and the Board shall have the right to:

- (1) repurchase or procure the purchase of some or all of the vested Awarded Shares from such Selected Participant or his transferee for no consideration; and

- (2) require such Selected Participant to pay the Company any and all payment in cash or other property in lieu of the vested Awarded Shares which such Selected Participant has received from the Company pursuant to the Award.

For the avoidance of doubt, no tax or charge paid by the Selected Participant in connection with (x) the grant or vesting of the Awarded Shares, (y) the issuance or delivery of the Awarded Shares or payment in lieu of the Awarded Shares, or (z) the sale or transfer of the Awarded Shares shall be refunded to such Selected Participant in the event of lapse of the Awarded Shares pursuant to this Paragraph 5.4(C), repurchase of the Awarded Shares, or payment by such Selected Participant to the Company of any and all payment in cash or other property in lieu of the Awarded Shares the Selected Participant has received from the Company, upon his termination for Cause, commission of a Competitive Offence or a Manager's Nonfeasance, or violation of the confidentiality obligation(s) under any Grant Notice.

The Trustee shall have no obligation to purchase any vested Awarded Shares under this paragraph and accordingly shall have no liability in this regard.

- (D) In respect of a Selected Participant who (i) in the sole opinion of the Board, has suffered disability as a result of or in connection with performance of his duty during the course of employment with a Group Company, a Related Entity or associated company at any time prior to a Vesting Date and is unable to perform his duties; (ii) has died during his employment with a Group Company, a Related Entity or associated company; or (iii) has retired by agreement with a member of the Group, a Related Entity or associated company or resigned at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Participant shall, to the extent not yet vested, automatically lapse on the last day of employment unless the Board determines otherwise and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, a Related Entity or associated company, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way. In the event that a Selected Participant has taken unpaid leave of absence, the original Vesting Date of any unvested Awarded Shares may be deferred with such rules as the Board shall determine.

- (E) (i) In the event of the death of a Selected Participant, the Trustee shall hold the vested Awarded Shares (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the legal personal representatives of the Selected Participant and subject as aforesaid the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within (a) two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time), or (b) the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Participant.
- (ii) If the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall remain part of the Trust Fund.
- (iii) Notwithstanding the foregoing, the Benefits held upon the Trust hereof shall until transfer is made in accordance herewith be retained and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust Fund of the Trust.

## **5.5 Lapse of Awards**

- (A) An Award shall lapse automatically (to the extent not already exercised) on the earliest of:
  - (i) the expiry of the awards period;
  - (ii) failure of the Selected Participant to fulfill all conditions for the vesting of the Awarded Shares before the Vesting Date;
  - (iii) the date on which the Grantee commits a breach of rules of the Scheme; and
  - (iv) unless the Board otherwise determines, and other than in the circumstances referred to in Paragraph 5.4, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

Any Awards that have lapsed may be cancelled if the Selected Participant so agrees and new Awards may be granted to the same Selected Participant under this Scheme with available Scheme Mandate Limit (as applicable) prescribed by Paragraphs 8(A), 8(B), 8(C) and 8(D). The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate limit.

- (B) For the avoidance of doubt, transfer of employment or engagement from one member of the Group to another member of the Group shall not be considered as a cessation of employment or engagement. Awards held by such Grantee, to the extent not already exercised, shall remain exercisable in accordance with the terms and conditions of this Scheme.
- (C) The Board shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award under Paragraph 5.5.

## **5.6 Other terms and conditions**

- (A) For the avoidance of doubt,
  - (i) subject to Paragraph 5.3(F), a Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares and non-cash income derived from such Awarded Shares prior to the Vesting Date;
  - (ii) a Selected Participant shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust;
  - (iii) no instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee;
  - (iv) the Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom);
  - (v) subject to Paragraph 5.3(F), all cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards (a) the payment of the fees, costs and expenses of the Trust, and (b) the remainder, if any, remain as part of the Trust Fund;
  - (vi) unless otherwise waived by the Board, in the event that the vesting conditions specified in the Grant Notice are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, the Board, the Trust or the Trustee;

- (vii) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in Paragraph 5.4(E), and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee; and
  - (viii) the Board has, at all times, an overriding power to refuse to direct or procure the Trustee to deal in, sell, transfer or dispose of any Awarded Shares in circumstances including if the Board considers that complying with the instructions of a Selected Participant may breach or contravene any law, rule or regulation.
- (B) No Award shall be made by the Board pursuant to Paragraph 5.2(A) and no instructions to acquire any Shares shall be given to the Trustee under the Scheme pursuant to Paragraphs 5.1(B) and (C) where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:
- (i) no offer shall be made and no Award shall be granted to any Participant in circumstances prohibited by the Listing Rules or at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. No offer shall be made and no Award shall be granted to any Participants after inside information has come to the Company's knowledge until it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:
    - (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
    - (2) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Award may be granted. Such period will also cover any period of delay in the publication of any results announcement.
  - (ii) during the period of one month immediately preceding the date of the Board meeting for approving the annual results for any financial period of the Company or the deadline for the Company to announce its annual results for any financial period of the Company, whichever is the earlier;

- (iii) during the period of one month immediately preceding the date of the Board meeting for approving the interim results for any financial period of the Company or the deadline for the Company to announce its interim results for any financial period of the Company, whichever is the earlier;
- (iv) during any period of delay in publishing a results announcement; and
- (v) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

The Board may, at any time after it has instructed the Trustee to purchase or acquire any Shares in accordance with Paragraphs 5.1(B) and (C), instruct the Trustee in writing to cease purchasing Shares or to suspend purchasing Shares until further notice (without specifying any reasons therefor).

- (C) In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations and approval requirements including without limitation those imposed by the Listing Rules from time to time.

## **6. CHANGE OF CONTROL AND WINDING-UP**

- (A) Notwithstanding any other provision provided herein, if there occurs an event of change in control of the Company, whether by way of capitalisation issue, offer, merger, reduction of share capital, scheme of arrangement, compromise or arrangement pursuant to any applicable laws or otherwise, and such change in control event becomes or is declared unconditional prior to the Vesting Date, the Board shall determine at its sole discretion whether such Awarded Shares shall vest immediately to the extent specified in a notice given by the Board. The Board shall notify the Selected Participant of the date on which and the extent to which his Award will vest. Such date shall be deemed the Vesting Date. For the avoidance of doubt, the Board may in its absolute discretion determine that all or any of the Award shall or shall not vest. For the purpose of this Paragraph 6(A), “control” shall have the meaning as specified in the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs from time to time.
- (B) In the event that an effective resolution is passed during the Scheme Period for voluntarily winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement as set out above) prior to the vesting, the Award(s) of the Grantee will vest immediately to the extent specified in a notice given by the Board provided that all unexercised Awards must be exercised and effected by no later than one business day before the day of the proposed general meeting to be convened for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (or to pass written resolutions of the shareholders to the same effect).

## **7. REORGANISATION OF CAPITAL STRUCTURE**

- (A) In the event the Company undertakes a capitalisation of profits or reserves, rights issue, reduction, subdivision or consolidation of the Shares (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is party), such Selected Participant shall be entitled to those Awarded Shares as altered and the Board shall as soon as reasonably practicable after such alteration has been effected, notify each such Selected Participant of the altered number of Awarded Shares that he has become entitled to on vesting after such alteration and the altered purchase price (if any).
- (B) Any alterations made in respect of the Awarded Shares as referred to in Paragraph 7(A) must give the Selected Participant the same proportion of the issued share capital, rounded to the nearest whole share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any alteration referred to in this Paragraph 7(B), other than any made on a capitalisation issue, the Independent Financial Adviser or the Auditors must confirm to the Board in writing that the alteration satisfies the requirements of the relevant provisions of the Listing Rules.
- (C) In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it on the market as is appropriate and, subject to Paragraph 5.3(F), the net proceeds of sale of such rights shall be held as part of the Trust Fund.
- (D) In the event that the Company undertakes an issue of bonus Shares, subject to Paragraph 5.3(F), the bonus Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- (E) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and, subject to Paragraph 5.3(F), scrip Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- (F) In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution and, subject to Paragraph 5.3(E), the net sale proceeds thereof shall be deemed as cash income of a Share held as part of the Trust Fund.

- (G) If notice is duly given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Participant and the time at which such Awarded Shares shall vest. If the Board determines that any Awarded Shares shall vest, it shall promptly notify the Selected Participant and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the Awarded Shares which are to become vested in such Selected Participant to such Selected Participant.

## 8. SCHEME LIMIT

- (A) The maximum aggregate number of Shares which may be issued underlying the awards and/or options over new Shares under the Amended Post-IPO Share Option Scheme, the Scheme and any other share scheme of the Company must not exceed 10% of the total issued Shares as at the date of the Shareholders' approval of the Scheme Mandate Limit (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) (the "**Initial Mandate Limit**").
- (B) The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders after three years from the date of the Shareholders' approval for the last refreshment. The maximum aggregate number of Shares which may be issued underlying the awards and/or options over new Shares under the Amended Post-IPO Share Option Scheme, the Scheme and any other share scheme of the Company under the Scheme Mandate Limit as refreshed (the "**Refreshed Scheme Mandate Limit**") must not exceed 10% of the aggregate of the Shares in issue as at the date of approval of the Refreshed Scheme Mandate Limit (excluding any options or awards lapsed in accordance with the terms of the respective share schemes).
- (C) Any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant in respect of the Award in question).



- (D) The total number of Shares issued and to be issued in respect of the Awards granted under this Scheme and options and awards granted under any other schemes of the Company to each Selected Participant (excluding any options, awards and Awards lapsed in accordance with the terms of this Scheme or other schemes of the Company, as the case may be) in any 12-month period must not exceed 1% of the Shares in issue. Where any grant of Awards to a Selected Participant would result in the Shares which may be issued underlying the awards and/or options over new Shares under the Amended Post-IPO Share Option Scheme, the Share Award Scheme and any other share scheme of the Company (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Selected Participant and his close associates (or associates if the Selected Participant is a connected person) abstaining from voting.
- (E) Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company or any of his associates would result in the Shares issued and to be issued in respect of all options, awards and Awards granted under this Scheme and any other schemes of the Company (excluding any options, awards and Awards lapsed in accordance with the terms of this Scheme or other schemes of the Company, as the case may be) to such Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders in the Company's general meeting with such Selected Participant, his associates, and all core connected persons of the Company abstaining from voting in favour at such general meeting.
- (F) Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards and Awards granted (excluding any awards and Awards lapsed in accordance with the terms of this Scheme or other schemes of the Company, if any and as the case may be) to such Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders in the Company's general meeting with such Selected Participant, his associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

## **9. DISPUTES**

Any dispute arising in connection with this Scheme shall be referred to the determination or interpretation of the Board who shall act as experts and not as arbitrators and whose decision shall be final and binding.

## **10. ASSIGNMENT OF AWARDS**

Unless otherwise approved by the Board, Awards shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award, except for the transmission of Awards on the death or incapacitation of the Grantee to his personal representative(s) according to the terms of this Scheme or to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee as separately waived in accordance with the Listing Rules. Unless otherwise approved by the Board, any breach of the foregoing shall entitle the Company to cancel any outstanding Awards or part thereof granted to such Grantee without incurring any liability on the part of the Company.

## **11. ALTERATION OF THE SCHEME**

- (A) The Scheme may be amended in any respect by a resolution of the Board except that any alterations to the terms of the Scheme which are of a material nature or are related to matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Participants must be approved by the Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms of this Scheme is material shall be conclusive.
- (B) Any changes to the authority of the Board in relation to any alteration of the terms of this Scheme shall not be made without the prior approval of the Shareholders in general meeting.
- (C) Save for alterations which take effect automatically under the terms of this Scheme, any change to the terms of the 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 Awards was approved by the same body(ies).
- (D) Written notice of any amendment to the Scheme shall be given to all Selected Participants and the Trustee.

## **12. TERMINATION**

- (A) The Scheme shall terminate on the earlier of:
  - (i) the expiry of the Trust Period; and
  - (ii) such date of early termination as determined by the Board by a resolution of the Board,

PROVIDED THAT such termination shall not affect any subsisting rights of any Selected Participant hereunder.

- (B) Upon termination of the Scheme,
- (i) no further grant of Awarded Shares may be made under the Scheme, these rules of the Scheme shall remain in full force and effect in respect of Awards which have been granted during the term of the Scheme and which remain unvested or which have vested but not yet been transferred to a Selected Participant immediately prior to the termination of the Scheme;
  - (ii) all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Participant;
  - (iii) upon the expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee within twenty-eight (28) Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine);
  - (iv) upon the expiration of the Trust Period all net proceeds of sale referred to in Paragraph 12(B)(iii) and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to Paragraph 12(B)(iii)).
- (C) For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

### **13. WITHHOLDING**

- (A) The Company, any Subsidiary, Related Entity or associated company 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 of the Awarded Shares.
- (B) The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Group Company or associated company receive 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 such Group Company, Related Entity or associated company any tax deduction resulting from the occurrence of such event.

- (C) The Group Company, Related Entity or associated company 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 the grant of Award an amount estimated by the Group Company or associated company to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Award.

#### **14. MISCELLANEOUS**

- (A) The Scheme shall not form part of any contract of employment between the Company, Group Company, Related Entity or associated company and any Employee Participants and Related Entity Participants, 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 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, employment or service for any reason.
- (B) The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Paragraph 14(D), expenses, stamp duty, transaction levies and normal registration fees incurred in the purchase of Shares by the Trustee and the transfer of Awarded Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting or transfer of Shares.
- (C) In the event that any tax, duty, levy or social security contribution in any jurisdiction is payable by any Selected Participant in connection with the grant of any Awarded Shares or the vesting (or otherwise the transfer) of any Awarded Shares, such Selected Participant shall be responsible for the prompt payment of such tax, duty, levy or social security contribution (as the case may be) and shall indemnify the Company and the Trustee against any loss, damage, liability, costs and expenses arising from or in connection with any default or delay in the payment thereof.
- (D) Any notice or other communication between the Company and any Eligible Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its head office and principal place of business in Hong Kong or such other address as notified to the Eligible Participant from time to time, and in the case of an Eligible Participant, his address as notified to the Company from time to time. Any notice (including Grant Notice and Vesting Notice) or other communication from the Company to any Eligible Participant or Selected Participant may be given by any means, as the Board considers appropriate.

- (E) Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- (F) The Company, the Board, the Trust and the Trustee shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in the Scheme as a Selected Participant or for any tax, duty, expenses, fees or any other liability to which he may become subject as a result of his participation in the Scheme.
- (G) Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion shall not affect the enforceability of the rules of the Scheme as remain not so deleted.

## **15. GOVERNING LAW**

- (A) The Scheme shall operate subject to the amended and restated memorandum and articles of association of the Company and any applicable law and regulations to which the Company is subject.
- (B) The Scheme is governed by and shall be construed in accordance with the laws of Hong Kong.