

ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED

Registered office: Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

**RULES OF THE
SHARE AWARD SCHEME**

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1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless the context otherwise requires, the following expressions have the meanings set out below:

acting in concert has the meaning ascribed to it in the Takeovers Code;

Adoption Date means the date on which the conditions to this Scheme becoming effective as set out in **paragraph 2.4** are satisfied;

associate has the meaning ascribed to it in the Listing Rules;

Auditors means the auditors of the Company from time to time;

Award means an award granted under this Scheme in the form of an Option or an RSU;

Bermuda Companies Act means the Bermuda Companies Act 1981 and any amending laws in force;

Board means the board of Directors from time to time or a duly authorised committee of the Board;

Board Lot means the board lot in which Shares are traded on the Stock Exchange from time to time;

Business Day means any day on which the Stock Exchange is open for the business of dealing in securities;

Cause means, with respect to a Grantee, such event as will entitle the Company and/or any of its subsidiaries to terminate the employment or service of the Grantee with immediate notice without compensation under the relevant employment or service agreement or, if it is not otherwise provided for in the relevant employment or service agreement, in the sole opinion of the Board, (a) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts of serious misconduct or the commission of a criminal offence, (b) a material breach of any agreement, arrangement or understanding between the Grantee and the Company and/or any of its subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement, (c) misrepresentation or omission of any material fact in connection with his employment agreement or service agreement, (d) a material failure to perform the customary duties of an employee of the Company and/or any of its subsidiaries, to comply with the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or (e) any conduct that, is materially adverse to the name, reputation or interests of the Group;

close associate has the meaning ascribed to it in the Listing Rules;

LR17.03 (19)

Company means Alibaba Health Information Technology Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;

Competitor means any corporation, partnership, joint venture, trust, individual, proprietorship, firm, governmental unit or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activities of any nature that compete (directly or indirectly) with a product, process, technique, procedure, device or service of the Company or any of its subsidiaries;

connected person has the meaning ascribed to it in the Listing Rules;

core connected person has the meaning ascribed to it in the Listing Rules;

Director means a director of the Company;

Disability means a disability, whether temporary or permanent, partial or total as determined by the Board in its absolute discretion;

Exercise Period means, in respect of any Option, the period to be determined by the Board and notified to the Grantee in the Notice of Grant or, where applicable, any period for the exercise of an Option determined pursuant to **paragraph 6.3**, which period shall commence on the Vesting Date and shall expire no later than ten (10) years from the Offer Date;

LR17.03 (5)

Exercise Price means the price per Share at which a Grantee may subscribe for or acquire Shares upon the exercise of an Option, as determined in accordance with **paragraph 5.3**;

Grantee means any Participant who accepts an Offer in accordance with the terms of this Scheme or, where the context so permits, a person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person;

Group means the Company and its subsidiaries;

HK\$ means Hong Kong dollars, the lawful currency of Hong Kong;

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China;

inside information has the meaning ascribed to it in the Listing Rules;

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

New Approval Date has the meaning ascribed to it in **paragraph 7.2**;

Notice of Grant has the meaning ascribed to it in **paragraph 3.2**;

Offer means the offer of the grant of an Award made in accordance with **paragraph 3**;

Offer Date means, in respect of an Award, the date on which an Offer is made to a Participant, which must be a Business Day;

Option means an option to subscribe for or acquire Shares which is granted pursuant to this Scheme;

Participants means

- (a) directors and full-time and part-time employees of the Group (including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with any member of the Group); LR17.03 (2)
LR17.03A (1)
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (including without limitation Alibaba Group Holding Limited and its subsidiaries); and
- (c) Service Providers; LR17.03A (2)

Remuneration Committee means the remuneration committee of the Company;

RSU means a restricted share unit, being a contingent right to receive Shares which is awarded pursuant to this Scheme;

Scheme means this share award scheme in its present form or as amended from time to time in accordance with the provisions hereof;

Scheme Mandate Limit means the total number of Share(s) that may be issued in respect of which Awards may be granted pursuant to this Scheme and any other share schemes of the Company, being (a) ten (10) per cent. of the Shares in issue (excluding treasury Shares) as at the Adoption Date or (b) ten (10) per cent. of the Shares in issue (excluding treasury Shares) as at the most recent New Approval Date (where applicable); and on an annual basis, being (a) one (1) per cent. of the Shares in issue (excluding treasury Shares) as at the Adoption Date or (b) one (1) per cent. of the Shares in issue (excluding treasury Shares) as at most recent New Approval Date (where applicable); LR17.03 (3)
LR17.03B (1)

Service Provider(s) means any persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business that are beneficial to the long-term development of the Group, including: (a) suppliers of services to any member of the Group; and (b) advisors (professional or otherwise) or consultants to any area of business or business development of any member of the Group. For the avoidance of doubt, the Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity; LR17.03A(1)
Note

Service Provider Sublimit means the total number of Shares that may be issued in respect of which Awards may be granted to Service Providers within the Scheme Mandate Limit pursuant to this Scheme and any other share schemes of the Company, being (a) one (1) per cent. of the Shares in issue (excluding treasury Shares) as at the Adoption Date or (b) one (1) per cent. of the Shares in issue (excluding treasury Shares) as at most recent New Approval Date (where applicable); LR17.03 (3)
LR17.03B (2)

Shares means fully paid ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company (including, for clarity, treasury Shares) or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;

Shareholder(s) means holder(s) of Shares;

share schemes has the meaning ascribed to it under Chapter 17 of the Listing Rules;

Stock Exchange means The Stock Exchange of Hong Kong Limited;

subsidiary has the meaning ascribed to it in the Listing Rules;

substantial shareholder has the meaning ascribed to it in the Listing Rules;

Takeovers Code means the Hong Kong Code on Takeovers and Mergers;

Term has the meaning ascribed to it in **paragraph 2.5**;

treasury Shares means the Shares repurchased and held by the Company in treasury (if any), as authorised by the applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction, the memorandum of association and the bye-laws of the Company and the Listing Rules;

Trust means a discretionary trust established in respect of and for the purpose of this Scheme;

Trustee means a professional trustee from time to time of this Scheme as may be appointed by the Company pursuant to **paragraph 2.6**;

vest means (a) in respect of Shares underlying an Option, the Grantee becoming entitled to exercise the Option to subscribe for or acquire such Shares and (b) in respect of Shares underlying an RSU, the Grantee becoming entitled to receive such Shares;

Vesting Date means, in respect of an Award, the date to be determined by the Board and notified to the relevant Grantee in the Notice of Grant on which the Shares underlying such Award shall vest; and

Vesting Period means the period commencing on the Offer Date and ending on the Vesting Date.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References to “paragraphs” are to the paragraphs of this Scheme. Words importing the singular include the plural and *vice versa*, words importing a gender or the neuter include both genders and the neuter references to persons include bodies corporate or unincorporate.
- 1.3 References in this Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.

- 1.4 References (express or implied) in this Scheme to ordinances and to statutory and regulatory provisions and the Listing Rules shall be construed as references to those ordinances or statutory and regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant ordinance, statutory or regulatory provision or the Listing Rules.
- 1.5 References in this Scheme to the term “new Share(s)” shall, unless specified otherwise, include both new Shares issued and treasury Shares transferred by the Company to satisfy Awards granted under this Scheme, and the terms “issue new Share(s)” or “Share(s) that may be issued” in this Scheme shall be construed accordingly.
- 1.6 In construing this Scheme:
- (a) the rule known as the *ejusdem generis* rule shall not apply and accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
 - (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. PURPOSE, DURATION AND ADMINISTRATION OF THIS SCHEME

- 2.1 The purpose of this Scheme is to enable the Company to grant Awards to eligible Participants, as incentives and/or rewards for their contribution to the Group, to reward the personnel who have contributed to the development and success of the Group, to incentivise them to remain with the Group, to motivate them to strive for the future development and expansion of the Group and to attract skilled and experienced personnel for further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. The eligibility of any of the Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his/her contribution and/or future contribution to the development and growth of the Group. LR17.03 (1)
LR17.03 (2)

LR17.03A(2)
- 2.2 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Awards pursuant to this Scheme; (c) determine the terms on which Awards are granted; (d) determine the number of Shares underlying the Awards; (e) subject to **paragraphs 8 and 12**, make such adjustments to the terms of this Scheme and of Awards granted pursuant to this Scheme as the Board deems necessary and shall notify the relevant Grantee(s) of such adjustment(s) by written notice; and (f) make such other decisions or determinations as it shall deem appropriate, provided that the same are not inconsistent with the provisions of this Scheme and the Listing Rules.

2.3 No member of the Board shall be personally liable by reason of any contract or other instrument executed by him or on his/her behalf in his/her capacity as a member of the Board nor for any mistake of judgment made in good faith in relation to the administration or interpretation of this Scheme, and the Company shall indemnify on demand and hold harmless each Director, employee or officer of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.

2.4 This Scheme shall take effect subject to:

- (a) the passing of the resolution by the Shareholders to approve and adopt this Scheme and to authorise the Board to grant Awards pursuant to this Scheme and to allot and issue new Shares, or procure the transfer of and otherwise deal with Shares in connection with this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Share(s) that may be issued by the Company to satisfy the Awards which may be granted pursuant to this Scheme (or any subsequent amendment(s) to this Scheme in accordance with **paragraph 12**, the Scheme Mandate Limit or the Service Provider Sublimit).

A certificate of a Director that the conditions set out in **paragraphs 2.4(a) and 2.4(b)** above have been satisfied shall be conclusive evidence of the matters certified.

2.5 Subject to **paragraphs 2.4** and **14**, this Scheme shall be valid and effective for the period commencing on the Adoption Date and expiring on the tenth anniversary thereof or such earlier date as the Scheme is terminated in accordance with **paragraph 14** (the *Term*), after which period no further Awards shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects in respect of Awards which are granted during the Term and which remain unvested or which have vested but not yet been exercised immediately prior to the termination of this Scheme.

LR17.03 (11)

2.6 The Company may, if it chooses to do so, establish a Trust and appoint a Trustee to assist with the administration, exercise and vesting of Awards (either in the form of RSUs or Options) granted pursuant to this Scheme. The Company may, to the extent permitted by the Bermuda Companies Act and the Listing Rules, (a) allot and issue new Share(s) to the Trustee and/or (b) direct and procure the Trustee to make on-market purchases of Shares, in either case to satisfy the Awards (either in the form of RSUs or Options) upon vesting or exercise. The Company shall, to the extent permitted by the Bermuda Companies Act, the Company's memorandum of association and bye-laws and the Listing Rules, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration, vesting and exercise of Awards. If a Trustee is appointed, it is expected that the terms of the trust deed will provide that the Trustee holding unvested Shares allotted and issued to the Trustee and/or acquired by the Trustee through on-market purchases or through off-market transfer of treasury Shares for the purpose of this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval

LR17.05A

under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

3. GRANT OF AWARDS

3.1 On and subject to the terms of this Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound) at any time during the Term to make an Offer to any Participant as the Board may in its absolute discretion select. The Board shall, in its absolute discretion and at any time prior to the relevant Offer Date, determine whether the relevant Award shall take the form of an Option and/or an RSU.

3.2 An Offer shall be made to a Participant by a notice (the *Notice of Grant*) in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Award on the terms on which it is to be granted and to be bound by the terms of this Scheme. The Company may, in its absolute discretion, enter into a deed poll recording its intention to grant Awards and agreeing to be bound by the signed Notices of Grant in respect of such Awards. An Offer shall remain open for acceptance by the Participant for such time to be determined by the Board, provided that no such Offer shall be open for acceptance after the expiry of the Term or after the Participant to whom the Offer is made has ceased to be a Participant.

3.3 The Notice of Grant shall specify the terms on which the Award is to be granted, including:

- (a) whether the Award is in the form of an Option and/or a RSU;
- (b) the number of Shares underlying the Award;
- (c) the Vesting Date and any performance targets (including but not limited to a certain period of continued employment, engagement and/or service within the Group or other conditions as the Board deems appropriate in its absolute discretion from time to time) that must be satisfied in order for the Award to vest in whole or in part;
- (d) in the case of an Award of an Option, the Exercise Price and the Exercise Period;
- (e) any term that the Board may prescribe in the Notice of Grant on grounds (including without limitation termination of employment or appointment for Cause) where an Award may be cancelled by the Board at its absolute discretion, regardless of whether such Award has been vested, exercised, lapsed or otherwise; and
- (f) any other terms which may be imposed or not imposed either on a specific Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of this Scheme.

LR17.03 (7)

3.4 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable laws, rules or regulations.

3.5 An Offer is accepted when the Company receives from the Grantee the duplicate Notice of Grant duly executed by the Grantee. The Company may, in its discretion, require the Grantee to pay a remittance of HK\$1.00 (or such other amount in any other

LR17.03 (8)
LR17.03 (9)

currency as the Board may determine) as consideration for the grant of an Option and/or RSU within the time period as set out in the Notice of Grant. Such remittance is not refundable in any circumstances. The Board and the Remuneration Committee may also determine and specify the purchase price of the RSUs (which may be nil) in the Notice of Grant, which shall be based on considerations such as the prevailing market price of the Shares, the purpose of the RSU and the characteristics and profile of the relevant Participant.

3.6 To the extent that the Offer is not accepted within the time period and in the manner specified in the Notice of Grant, the Offer will be deemed to have been irrevocably declined and will lapse.

3.7 The Company may not grant any Award after inside information has come to its knowledge until (and including) the trading day after it has announced such inside information or the relevant information has otherwise ceased to be inside information. In particular, the Company may not grant any Award during the period commencing thirty (30) days immediately before the earlier of:

LR17.05

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

(b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. For the avoidance of doubt, no Award may be granted during any period of delay in publishing a results announcement. Where a grant of an Award is to a Director, no Award may be granted on any day on which the financial results of the Company are published and during the period of:

LR17.05 (2)
Note

(c) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(d) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

4. GRANT OF AWARDS TO CONNECTED PERSONS

4.1 Any grant of an Award (either in the form of RSUs or Options) to any Director, chief executive or substantial shareholder of the Company (excluding any proposed Director or chief executive 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 Grantee of the Award in question) and all grants to connected persons shall be subject to compliance with the requirements of the Listing Rules, including where necessary the prior approval of the Shareholders.

LR17.04 (1)
LR17.04 (5)
Note 2

LR17.04 (2)

- 4.2 Subject to **paragraph 4.1**, where any grant of an Award (excluding Options) to a Director (other than an independent non-executive Director of the Company) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person pursuant to this Scheme and any other share schemes of the Company in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the Shares in issue (excluding treasury Shares) on the Offer Date, such further grant of an Award shall be subject to prior approval by the Shareholders in general meeting in the manner set out in **paragraph 4.4**.
- 4.3 Subject to **paragraph 4.1**, where any grant of an Award to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued and/or transferred and to be transferred upon the exercise and/or vesting of all awards already granted and to be granted (including options and/or RSUs exercised, cancelled and outstanding and excluding any Awards lapsed in accordance with the terms of this Scheme) to such person pursuant to this Scheme and any other share schemes of the Company in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the Shares in issue (excluding treasury Shares) on the Offer Date, such further grant of an Award shall be subject to prior approval by the Shareholders in general meeting in the manner set out in **paragraph 4.4**. LR17.04 (3)
- 4.4 In the circumstances described in **paragraphs 4.2 or 4.3** above, the relevant Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting. The Company must also comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules and send a circular to the Shareholders containing: LR17.04 (4)
- (a) details of the number and terms of the Awards to be granted to each Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant of an Award is to be taken as the Offer Date for the purpose of calculating the Exercise Price; LR17.04 (5)
- (b) the views of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the Awards) 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;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.
- 4.5 Any change in the terms of an Award granted 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 Shareholders in general meeting by way of poll if the initial grant of the Award requires such approval (except where the changes take effect automatically under the existing terms of this Scheme) and the Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the resolution relating to the change in the terms of such Award at such LR17.04 (5)
Note 1

general meeting. The Company shall send a circular to the Shareholders containing the information as set out in **paragraph 4.4** above. The Company must also comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

5. VESTING AND EXERCISE

5.1. Subject to the terms of this Scheme and to the specific terms on which each Award is granted, the Shares underlying an Award shall vest on the Vesting Date of such Award, provided that in the case of a RSU, if the Vesting Date of the RSU falls within a period during which the Company, the Trustee (in its capacity only pursuant to its appointment in terms of **paragraph 2.6**) or the relevant Grantee is prohibited from dealing in Shares by the Stock Exchange, the Listing Rules or any applicable laws, rules or regulations, the RSU shall vest on the first Business Day after the expiry of such period or such later date as the Board notifies to the Grantee. If vesting is subject to the satisfaction of performance or other conditions and such conditions have ceased to be capable of being satisfied in whole or in part, the Award shall lapse automatically in respect of such proportion of underlying Shares as have not vested with effect from the date on which the conditions ceased to be capable of being satisfied.

5.2 The Board or the Remuneration Committee (as the case may be) is entitled to impose any terms and conditions as it deems appropriate in its absolute discretion with respect to the entitlement and/or vesting of the Awards on the Participant provided that the Vesting Period for the Awards shall not be less than 12 months unless under the specific circumstances as set out below:

LR17.03F
LR17.03 (6)

- (a) granting Awards to new employees to replace the share awards they forfeited (the *Forfeited Awards*) when leaving their previous employer. The Vesting Period for such Awards will be the same as the remaining vesting period of the Forfeited Awards (which may be less than 12 months);
- (b) granting Awards to a Participant whose employment or service (as the case may be) was terminated due to death, Disability or event of force majeure;
- (c) granting Awards which are subject to the fulfilment of performance targets (as opposed to time-based conditions);
- (d) granting Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the Participant, in which case the Vesting Date may be adjusted to take account of the Offer Date, if not for such administrative or compliance requirements;
- (e) granting Awards with a mixed vesting schedule such that the Awards would vest evenly over a period of 12 months; or
- (f) granting Awards with a total vesting and holding period of more than 12 months.

5.3 The Exercise Price of an Option shall be determined at the Offer Date by the Board in its absolute discretion but in any event shall not be less than the highest of:

LR17.03 (9)
LR17.03E

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Offer Date, which must be a Business Day;

- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
 - (c) the nominal value of the Shares.
- 5.4 An Option may be exercised by the Grantee at any time during the Exercise Period or such other period as may be determined by the Board in accordance with **paragraphs 5.8 to 5.11** or **6.3** in accordance with the terms of this Scheme and the terms on which the Option was granted. An Option may be exercised in whole or in part (but if in part only, in respect of a Board Lot of Shares or an integral multiple thereof).
- 5.5 An Option will be deemed to be exercised when the Company receives a written notice from the Grantee stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by payment for the full amount of the Exercise Price multiplied by the number of Shares in respect of which the Option is exercised, save to the extent that other arrangements have been made for payment of the Exercise Price which are satisfactory to the Board.
- 5.6 Any amount payable by the Grantee upon exercise of an Option shall be paid by cash, cheque or any other means deemed acceptable by the Board (including, without limitation, the sale on behalf of the Grantee of a sufficient number of the Shares in respect of which the Option is exercised to satisfy the Grantee's payment liability).
- 5.7 The Company shall, within ten (10) Business Days of the later of (a) the date on which the Award is exercised (in the case of an Option) or vests (in the case of an RSU) and (b) if applicable, the date on which the Company receives the Auditors' or independent financial adviser's certificate (as the case may be) pursuant to **paragraph 8**, allot and issue or procure the transfer (as the case may be) of the relevant number of Shares to the Grantee credited as fully paid and issue, upon request, share certificates in respect of such Shares to the Grantee (or his custodian agent). Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or may be prohibited from dealing in Shares by the Listing Rules or any other applicable laws, regulations or rules within this period, the relevant Shares shall be allotted and issued or transferred (as the case may be) to the Grantee as soon as possible after such dealing ceases to be prohibited.
- 5.8 In the event a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to **paragraph 5.9** below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person acting in concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the expiry of the Exercise Period of any Option or the Vesting Date of any RSU, the Company shall, as soon as practicable thereafter, give notice to each Participant of such general offer. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested, lapsed or cancelled by the Board) shall vest to the extent determined in accordance with **paragraph 5.12** and, in the case of an Option, the Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised, lapsed or cancelled by the Board) at any time after the general offer becomes or is declared unconditional and up to the close of such offer (or, as the case may be, revised offer). Subject to the foregoing, the Award (to the extent not vested, lapsed or cancelled by the Board or, in the case of Options, not exercised, lapsed or cancelled by the Board) will lapse

automatically on the date on which such offer (or, as the case may be, revised offer) closes.

- 5.9 In the event a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry of the Exercise Period of any Option or the Vesting Date of any RSU, the Company shall, as soon as practicable thereafter, give notice to each Participant of such approval. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested, lapsed or cancelled by the Board) shall vest to the extent determined in accordance with **paragraph 5.12** and, in the case of an Option, each Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised, lapsed or cancelled by the Board) at any time after the meetings whereby the scheme is approved and up to the record date for determining entitlements under such scheme of arrangement. Subject to the foregoing and to the scheme of arrangement becoming effective, the Award (to the extent not vested, lapsed or cancelled by the Board or, in the case of an Option, not exercised, lapsed or cancelled by the Board) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.
- 5.10 If, pursuant to the Bermuda Companies Act, a compromise or arrangement (other than a scheme of arrangement contemplated in **paragraph 5.9**) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation or merger with any other company or companies prior to the expiry of the Exercise Period of any Option or the Vesting Date of any RSU, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders and/or its creditors a notice summoning the meeting to consider such a compromise or arrangement. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested, lapsed or cancelled by the Board) shall vest to the extent determined in accordance with **paragraph 5.12** and, in the case of an Option, each Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) provided that such exercise is not later than three Business Days prior to the date of the proposed meeting. The Company shall as soon as possible and in any event no later than one (1) Business Day immediately prior to the date of the proposed meeting, allot and issue or procure the transfer (as the case may be) of such number of Shares to the Grantee which falls to be issued or transferred (as the case may be) on such vesting or exercise of the Award, credited as fully paid, and shall register such Shares in the name of the Grantee and issue to the Grantee (or his custodian agent) share certificates in respect of such Shares. With effect from the date two Business Days before the date of such meeting, the rights of all Grantees to exercise their Options shall be suspended. The Board shall endeavour to procure that the Shares issued or transferred (as the case may be) upon the vesting or exercise of the Awards in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If, for any reason, such compromise or arrangement is not approved by the shareholders, the creditors or the relevant court, as applicable, (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their Options shall, with effect from the date of the relevant approval not being obtained and to the extent they had not been exercised at the date such rights were suspended, be restored in full as if such compromise or arrangement had not

been proposed by the Company and neither the Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

5.11 In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the expiry of the Exercise Period of any Option or the Vesting Date of any RSU, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the Award was granted, the Shares underlying the Award (to the extent not already vested, lapsed or cancelled by the Board) shall vest to the extent determined in accordance with **paragraph 5.12** and, in the case of an Option, each Grantee shall be entitled to exercise the Option (to the extent vested and not already exercised) provided such exercise is not later than three Business Days prior to the date of the proposed meeting. The Company shall as soon as possible and in any event no later than one (1) Business Day immediately prior to the date of the proposed general meeting, allot and issue or procure the transfer of (as the case may be) such number of Shares to the Grantee which falls to be issued or transferred (as the case may be) on such vesting or exercise of the Award, credited as fully paid and shall register such Shares in the name of the Grantee and issue to the Grantee (or his custodian agent) share certificates in respect of such Shares. With effect from the date two Business Days prior to the date of such meeting, the rights of all Grantees to exercise their Options shall be suspended. If, for any reason, the resolution for the voluntary winding-up of the Company is not approved by the Shareholders, the rights of the Grantees to exercise their Options shall be restored in full, to the extent that they had not been exercised at the date such rights were suspended, as if such resolution for the voluntary winding-up of the Company had not been proposed by the Company and neither the Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

5.12 Upon the occurrence of any of the events referred to in **paragraphs 5.8 to 5.11**, the number of underlying Shares (if any) which shall vest and the date on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied and (b) the proportion of the Vesting Period that has expired, in each case as at the relevant event, and the Company shall notify the Grantee of the date on which and the extent to which his Award will vest, in the case of an Option, the period during which it may be exercised (which period shall not expire after the expiry of the periods for exercising the Options referred to in **paragraphs 5.8 to 5.11** above). If the Board determines that any Award shall vest in part only, the balance of the Award shall lapse.

6. LAPSE OF AWARDS

6.1 An Award or any part thereof which has not yet vested or which, in the case of an Award of an Option, has vested but not yet been exercised shall lapse automatically and not be exercisable on the earliest of:

- (a) in the case of an Option, the expiry of the Exercise Period (subject to the provisions of this Scheme);

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- (b) the date of termination of the Grantee's employment or service by the Company or any of its subsidiaries for Cause;
- (c) the date on which the Grantee:
 - (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning an interest of five (5) per cent. or more in, any Competitor; or
 - (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (d) subject to **paragraph 5.8**, the date on which the offer (or, as the case may be, revised offer) closes;
- (e) subject to **paragraph 5.9**, the record date for determining entitlements under a scheme of arrangement;
- (f) the date on which the compromise or arrangement referred to in **paragraph 5.10** becomes effective;
- (g) the date of the commencement of the winding-up of the Company;
- (h) the expiry of the period for exercising the Option referred to in **paragraph 6.3**;
- (i) the date on which the Grantee (whether intentionally or otherwise) commits a breach of **paragraph 10.1**;
- (j) the date on which the Grantee is declared bankrupt or enters into any arrangement or compromise with his creditors generally; and
- (k) (in respect of Shares underlying an Award which are subject to performance or other vesting condition(s)) the date on which the condition(s) to vesting of the relevant Shares underlying the Award are not capable of being satisfied.

6.2 The Board shall have the right to determine whether the Grantee's employment or service has been terminated for Cause, the effective date of such termination for Cause, whether someone is a Competitor and whether the condition(s) to vesting are not capable of being satisfied, and such determination by the Board shall be final and conclusive.

6.3 If the Grantee's employment or service with the Company or any of its subsidiaries is terminated for any reason (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration) other than for Cause, prior to the expiry of the Exercise Period of any Option or the vesting of any RSU, then notwithstanding any other terms on which the Award was granted, the Board shall determine at its absolute discretion and shall notify the Grantee whether following such termination of employment or service the Award (to the extent not already vested) shall vest, the date on which any such vesting will occur and, in the case of an Option, the period within which the Grantee will be entitled to exercise the Option (to the extent not already exercised). To the extent that (a) the Board determines that any Award shall not vest in respect of some or all of the

underlying Shares following such termination of employment or service or (b) in the case of an Option, the Option has vested but has not been exercised by the expiry of the period for exercise of Options determined by the Board pursuant to this **paragraph 6.3**, such Award shall automatically lapse in respect of those underlying Shares with effect from the date on which the Grantee's employment or service is terminated or the expiry of such period for the exercise of Options (as the case may be).

6.4 The Board may also, in its sole discretion, grant Awards on one or more conditions that such Awards may be cancelled (with or without compensation) as a result of the happening of a Cause event with respect to the Grantee (and/or any other event that may be specified in the Notice of Grant), regardless of such Awards have been vested or exercised at the time of cancellation.

6.5 For the avoidance of doubt, Awards that have lapsed in accordance with the terms of this Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

LR17.03B (2)
Note 1

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR THE SCHEME

7.1 At any time during the Term, the maximum aggregate number of Shares in respect of which Awards may be granted pursuant to this Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of Shares in respect of which Awards may be granted pursuant to this Scheme under the Scheme Mandate Limit or the Service Provider Sublimit (as the case may be);

A = the Scheme Mandate Limit or the Service Provider Sublimit (as the case may be);

B = the maximum aggregate number of Shares which may be issued upon the vesting or exercise of the Awards already granted under the Scheme Mandate Limit or the Service Provider Sublimit (as the case may be) pursuant to this Scheme, which in the event that there has been a New Approval Date, shall only include those Shares underlying Awards that have been granted since that most recent New Approval Date; and

C = the maximum aggregate number of Shares which may be issued upon the vesting or exercise of the awards already granted under the Scheme Mandate Limit or the Service Provider Sublimit (as the case may be) pursuant to any other share schemes of the Company.

Shares in respect of awards which have lapsed in accordance with the terms of this Scheme and any other share schemes of the Company will not be counted for the purpose of determining the maximum aggregate number of Shares which may be issued upon the vesting or exercise of Awards already granted under the Scheme Mandate Limit or the Service Provider Sublimit (as the case may be) pursuant to this Scheme.

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- 7.2 The Scheme Mandate Limit and/or the Service Provider Sublimit may be refreshed by Shareholders in general meeting after at least three years from the date of the Shareholders' approval for the last refreshment (or the adoption of this Scheme) in accordance with the Listing Rules, but in any event, the total number of Share(s) that may be issued upon the vesting or exercise of the Awards granted pursuant to this Scheme and any other share schemes of the Company following the date of approval of the refreshed limit (the *New Approval Date*) under the limit as refreshed must not exceed ten (10) per cent. of the Shares in issue (excluding treasury Shares) as at the New Approval Date. The Company must send a circular to Shareholders containing the number of Awards that were already granted under the Scheme Mandate Limit and the Service Provider Sublimit (if any), and the reason for the refreshment. Share(s) that may be issued upon the vesting or exercise of Awards granted pursuant to this Scheme and any other share schemes of the Company (including those outstanding, lapsed or cancelled in accordance with this Scheme or any other share schemes of the Company or vested or exercised awards) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares which may be issued upon the vesting or exercise of Awards granted following the New Approval Date under the limit as refreshed. For the avoidance of doubt, Shares issued (excluding treasury Shares) prior to the New Approval Date pursuant to the vesting or exercise of awards granted under this Scheme and any other share schemes of the Company will be counted for the purpose of determining the number of Shares in issue (excluding treasury Shares) as at the New Approval Date. LR17.03C (1)(b)
- 7.3 Any refreshment of the Scheme Mandate Limit and the Service Provider Sublimit (as the case may be) within any three-year period must be approved by Shareholders in general meeting subject to the following provisions: LR17.03C (1)(b)
- (a) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,
- provided that (a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit or the Service Provider Sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit or the Service Provider Sublimit immediately before the issue of Shares, rounded to the nearest whole Share. LR17.03C (1)(c)
- 7.4 Notwithstanding the foregoing, the Company may grant Awards beyond the Scheme Mandate Limit (or the Service Provider Sublimit, as the case may be) to Participants if: LR17.03C (3)
- (a) separate Shareholders' approval in general meeting has been obtained for granting Awards beyond the Scheme Mandate Limit (and/or the Service Provider Sublimit, as the case may be) to Participants specifically identified by the Company before such Shareholders' approval is sought; and

- (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing the name of each specified Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Participant, the purpose of granting Awards to the specified Participants with an explanation as to how the terms of the Awards serve such purpose and such other information as may be required by the Listing Rules. The number and terms of the Awards to be granted to such Participants 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 Offer Date for the purposes of calculating the Exercise Price.

- 7.5 Subject to **paragraph 7.7**, the maximum number of Shares issued and to be issued upon the vesting or exercise of the Awards granted to each Participant pursuant to this Scheme (including all vested, exercised and outstanding Awards but excluding any Award lapsed or cancelled) in any 12-month period up to and including the date of such grant shall not (when aggregated with any Shares underlying the awards granted during such period pursuant to any other share schemes of the Company) exceed one (1) per cent. of the Shares in issue (excluding treasury Shares) for the time being. LR17.03 (4)
LR17.03D (1)(2)
- 7.6 Where any further grant of Awards to a Participant would result in the Shares issued and to be issued upon the vesting or exercise of all Awards granted and to be granted to such person (including all vested, exercised, cancelled and outstanding Awards and excluding all Awards lapsed in accordance with the terms of this Scheme) in the 12-month period up to and including the date of such further grant (when aggregated with any Shares underlying the awards granted during such period pursuant to any other share schemes of the Company) representing in aggregate over one (1) per cent. of the Shares in issue (excluding treasury Shares), such further grant must be separately approved by Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Awards to be granted (and awards previously granted to such Participant in the 12-month period), the purpose of granting the Awards to the Participant, an explanation as to how the terms of the Awards serve such purpose and such other information required under the Listing Rules. The number and terms of the Awards to be granted to such Participant must be fixed before the Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the Offer Date for the purposes of calculating the Exercise Price.
- 7.7 The maximum number of Shares that may be issued upon the vesting or exercise of all outstanding awards which have been granted and have yet to vest or be exercised pursuant to this Scheme and any other share schemes of the Company shall not be inconsistent with the provisions as permitted under the Listing Rules, the memorandum of association and the bye-laws of the Company and all other applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction.

8. REORGANISATION OF CAPITAL STRUCTURE

- 8.1 In the event of an alteration in the capital structure of the Company by way of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing LR17.03 (13)

Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share schemes of the Company) during the Term, such corresponding adjustments (if any) shall be made to:

- (a) the Scheme Mandate Limit and the Service Provider Sublimit;
- (b) the number and/or nominal value of Shares underlying any RSU or part thereof which has not yet vested and/or been satisfied; and/or
- (c) the number and/or nominal value of underlying Shares, the Exercise Price of any Option and the purchase price of the RSUs (if not nil) which has not yet vested or has vested but not yet been exercised and/or satisfied,

or any combination thereof, provided that:

- (d) any such adjustments give a Grantee the same proportion of the share capital of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled; and
- (e) notwithstanding **paragraph 8.1(d)**, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

LR17.03 (13)
Note

but no such adjustments shall be made to the extent that a new Share (excluding for this purpose treasury Share) would be issued by the Company at less than its nominal value. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments satisfy the requirements set out in the Note to Rule 17.03(13) of the Listing Rules.

Where the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Awards to be granted under this Scheme or any other share schemes of the Group under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares (excluding treasury Shares) at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

LR17.03B (2)
Note 2

- 8.2 The Company shall engage the Auditors or an independent financial adviser to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under **paragraph 8.1** satisfy the requirements set out in **paragraphs 8.1(d)** and **8.1(e)** above. The capacity of the Auditors or the independent financial adviser to the Company (as the case may be) in this **paragraph 8** is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser (as the case may be) shall be borne by the Company.

9. SHARE CAPITAL

- 9.1 The issue of any Award and the vesting and, in the case of an Option, exercise of any Award shall (except where an Award is to be satisfied by the transfer of existing Shares) be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject to the foregoing, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the vesting and exercise of Awards to the extent that such requirements cannot be satisfied through off-market transfer of treasury Shares to the Trust.

10. RIGHTS ATTACHING TO AWARDS

- 10.1 An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not 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. Subject to obtaining a waiver from the Stock Exchange, the Company may allow a transfer of the Awards 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 this Listing Rules. Where such waiver is granted, any transfer to a permitted transferee shall be subject to the terms of the trust deed and the applicable laws and regulations including but not limited to the Listing Rules (as amended from time to time). LR17.03 (17)
- 10.2 The Awards do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding-up of the Company). LR17.03 (10)
- 10.3 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to this Scheme, unless and until the Shares underlying the Award are actually allotted and issued or transferred (as the case may be) to the Grantee pursuant to the vesting or exercise of such Award.
- 10.4 A Grantee shall not be entitled to any dividends or distributions in respect of any Shares underlying the Awards granted until such Shares have been allotted and issued or transferred to the Grantee. Subject to the foregoing, the Shares to be allotted and issued or transferred upon the vesting or exercise of the Awards shall be subject to all the provisions of the memorandum of association and the bye-laws of the Company for the time being in force and shall rank *pari passu* in all respects with, and shall be identical and have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of the Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred pursuant to the vesting or exercise of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued, or transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued or transferred. LR17.03 (15)

11. DISPUTES

- 11.1 Any dispute arising in connection with this Scheme shall be referred to the decision of the Board in the first instance, which decision shall, in the absence of manifest error, be final and binding on the Company, the Trustee and the Grantee. Should the Board, in its sole discretion, decide, any dispute referred to it may subsequently be referred to the decision of the Auditors who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantee. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Grantee.

12. ALTERATION OF THIS SCHEME

- 12.1 Save as provided in this **paragraph 12**, the Board may alter any of the terms of this Scheme at any time.
- 12.2 Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants shall not be made, in either case, without the prior approval of Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms and conditions of this Scheme is material shall be conclusive. LR17.03 (18) Note 1
- 12.3 Any changes to the authority of the Board in relation to any alteration of the terms of this Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. LR17.03 (18) Note 4
- 12.4 Any alterations to the terms of the Awards granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Award was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. Amendments to this Scheme (to the extent such amendments are of a material nature), the Scheme Mandate Limit, the Service Provider Sublimit, shall take effect upon such amendment(s) having been approved by the applicable authority on a date that may be specified by the Shareholders, and subject to Chapter 17 of the Listing Rules. LR17.03 (18) Note (2)
- 12.5 This Scheme so altered must comply with the requirements of the Listing Rules. LR17.03 (18) Note (3)

13. CANCELLATION

- 13.1 Without prejudice to the powers of the Board under **paragraph 6.4**, the Board may at any time with the consent of and on such terms as may be agreed with the relevant Grantee cancel Awards previously granted but which have not yet vested or, in the case of Options, cancel those options that not yet vested or vested but not yet exercised. Where the Company cancels Awards and offers new Awards to the same Grantee, the offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limits prescribed by **paragraph 7**. For the avoidance of doubt, the Awards cancelled in accordance with the terms of this Scheme shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as the case may be). LR17.03 (14) Note

14. TERMINATION

- 14.1 The Company by ordinary resolution in general meeting or the Board may at any time terminate this Scheme and in such event, no further Awards may be offered or granted but in all other respects the terms of this Scheme shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested or which have vested but not yet been exercised or in respect of which Shares not yet issued to the Participants at the time of termination of this Scheme.

LR17.03 (16)

15. MISCELLANEOUS

- 15.1 The Company shall bear the costs of establishing and administering this Scheme.
- 15.2 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders generally.
- 15.3 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 head office and principal place of business in Hong Kong or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his address as notified to the Company from time to time.
- 15.4 Any notice or other communication served:
- (a) by post (i) by or on behalf of the Company shall be deemed to have been served two Business Days after the same was put in the post; and (ii) by the Grantee shall not be deemed to have been served until the same shall have been received by the Company;
 - (b) by any electronic means (i) by or on behalf of the Company shall be deemed to have been served at the time at which such notice is sent; and (ii) by or on behalf of the Grantee shall not be deemed to have been served until the same shall have been received by the Company; and
 - (c) by the Company or by a Grantee by hand shall be deemed to be served when delivered.
- 15.5 Any liability of a Grantee to tax or social security contributions in respect of an Award shall be for the account of the Grantee and the allotment and issue and/or transfer (as the case may be) of Shares pursuant to the vesting or exercise of his Award shall be conditional on the Grantee complying with any arrangements specified by the Company or the Trustee for the payment of any tax and social security contributions (including, without limitation, authorising (a) the Company or the Trustee to sell, on behalf of the Grantee, a sufficient number of the Shares issued or transferred to the Grantee pursuant to the vesting or exercise of his Award to satisfy any tax and social security contribution liability or (b) the Company to withhold the amount of any tax and social security contribution liability from any remuneration or other amounts owing to the Grantee).
- 15.6 All allotments and issues or transfers of Shares will be subject to all applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction. A Grantee shall be responsible for obtaining any governmental, regulatory or other official consent or approval and going through any other

governmental, regulatory or other official procedures that may be required by any country or jurisdiction for the grant, vesting or exercise of his Award. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or of the vesting or exercise of any Award. The Company or any of its subsidiaries may coordinate or assist a Grantee in complying with such applicable requirements and taking any other actions as may be required by any applicable laws, regulations or rules. However, neither the Company nor any of its subsidiaries shall be responsible for (i) any failure by a Grantee to obtain any such consent or approval; (ii) any failure by a Grantee to exercise an Option during its Exercise Period as a result of not having obtained such a consent or approval; or (iii) any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company in full against all claims and demands which may be made against the Company (whether alone or jointly with any other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by the Company.

- 15.7 No employee of the Group shall be entitled to be selected as a Participant in this Scheme and neither participation in this Scheme nor the receipt of an Offer pursuant to this Scheme shall create any right to or expectation of any future participation or offer under this Scheme or any other share schemes of the Group.
- 15.8 This Scheme shall not form part of any contract of employment or engagement for services between the Company or any of its subsidiaries and any Participant and the rights and obligations of any Participant under the terms of his office, employment or engagement for services shall not be affected by the participation of the Participant in this Scheme or any right which he may have to participate in it and this Scheme shall afford such Participant no additional rights to compensation or damages in consequence of the termination (howsoever caused) of such office, employment or engagement for any reason (whether lawful or unlawful).
- 15.9 Subject to **paragraph 12**, the Board shall have the power from time to time to make or vary the terms of this Scheme for its administration and operation without approval by the Shareholders in general meeting, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Awards and to determine the terms on which such Awards are granted (including, for the avoidance of doubt, whether an Award shall take the form of an Option or an RSU) to any of the Directors or any duly authorised committee of the Board from time to time.
- 15.10 The Board shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting and exercise of Awards and the related registration, recording and reporting matters to ensure that the Grantees and the Company can comply with all applicable securities, foreign exchange and tax regulations of all relevant jurisdictions, including without limitation Bermuda and Hong Kong.
- 15.11 Each Grantee shall authorise the Company to establish all necessary brokerage and other accounts on the Grantee's behalf and shall provide to the Company such information as the Board deems necessary in connection with the Company's and the Grantee's compliance with the foregoing obligations.

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15.12 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.