

**CLARITY MEDICAL GROUP HOLDING LIMITED**

**RULES RELATING TO  
THE SHARE AWARD PLAN**

*(Adopted on [ • ] 2022)*

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## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, except where the context otherwise requires, the following expressions have the following meanings:

<b>“Adoption Date”</b>	the date on which this Plan is adopted by resolution of the Company in general meeting.
<b>“Articles”</b>	the articles of association of the Company as adopted or amended from time to time.
<b>“associates”</b>	shall bear the meaning ascribed thereto in the Listing Rules.
<b>“Award”</b>	a provisional award of the Awarded Shares made in accordance with paragraph 3.
<b>“Award Notice”</b>	the notice to be sent to the Trustee upon the making of an Award containing the particulars referred to in paragraph 3.4.
<b>“Awarded Share(s)”</b>	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award.
<b>“Board”</b>	the board of Directors of the Company.
<b>“Business Day”</b>	a day on which the Stock Exchange is open for the business of dealing in securities.
<b>“Committee”</b>	other person(s) from time to time delegated by the Board with the power and authority to administer the Plan.
<b>“Company”</b>	CLARITY MEDICAL GROUP HOLDING 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: 1406).
<b>“Connected Person”</b>	shall have the meaning ascribed thereto under the Listing Rules.
<b>“Directors”</b>	the director(s) of the Company for the time being.

<b>“Earliest Vesting Date”</b>	shall have the meaning ascribed thereto in paragraph 3.4(C), which shall be a date not less than 12 months from the date of acceptance of the Award by the relevant Selected Participant unless otherwise permitted under the Listing Rules.
<b>“Eligible Participant”</b>	any person belonging to the following classes of participants: <ul style="list-style-type: none"> <li>(a) any employee (whether full time or part time, any director of the Company or any Subsidiary) of the Company or any Subsidiary (an “<b>Employee</b>”); and</li> <li>(b) any Service Providers,</li> </ul> and, for the purposes of this Plan, the Award may be made to any company wholly owned by one or more of the above participant or any trust which the settlor is the above participant.
<b>“Excluded Participant”</b>	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Plan is not permitted under the laws and regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person.
<b>“Further Shares”</b>	Shares purchased or subscribed by the Trustee out of net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the trust constituted by the Trust Deed.
<b>“Group”</b>	the Company and the Subsidiaries.
<b>“Group Contribution”</b>	such contribution in the form of money or otherwise made by the Company or any of its Subsidiaries.
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong.
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China.

<b>“Invested Entity”</b>	any entity in which any member of the Group holds any equity interest.
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
<b>“Original Trustee”</b>	Tricor Trust (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and having its registered office at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
<b>“Other Distributions”</b>	shall have the meaning ascribed thereto in paragraph 5.2(A).
<b>“Partial Lapse”</b>	shall have the meaning as set out in paragraph 6.3.
<b>“Personal Representative(s)”</b>	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Selected Participant, is or are entitled to the Awarded Shares to be vested in such Selected Participant.
<b>“Plan”</b>	this share award plan constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 10.
<b>“Remuneration Committee”</b>	the remuneration committee of the Board or the Committee for the time being.
<b>“Residual Cash”</b>	being cash remaining in the trust fund in respect of an Awarded Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, and sale proceeds which have not been applied in the acquisition of Further Shares).
<b>“Returned Shares”</b>	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Plan (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or such Shares being deemed to be Returned Shares.
<b>“Selected Participant”</b>	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits and as referred to in paragraph 5.3) his Personal Representative.

<b>“Service Provider(s)”</b>	any medical practitioner or specialist in ophthalmology who work for the Group as an independent contractor, adviser or consultant (whether directly engaged by the Group or through his/her service company) on a continuing or recurring basis in his/her ordinary and usual course of business which are material to the long-term growth of the Group where the frequency of his/her service is akin to those of employees;
<b>“Shareholder(s)”</b>	the holder(s) of Share(s).
<b>“Shares”</b>	ordinary shares of HK\$0.01 each in the capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation.
<b>“Shares Pool”</b>	shall have the meaning ascribed to it in paragraph 4.1.
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited or, if the context so requires, other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Board or the Committee) on which the Shares are for the time being and from time to time listed or traded.
<b>“Subsidiary”</b>	a company which is for the time being and from time to time a subsidiary (within the meaning of Division 4 of Part 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere.
<b>“Total Lapse”</b>	shall have the meaning as set out in paragraph 6.2.
<b>“Trust Deed”</b>	the trust deed dated [•] 2022 and entered into by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time.

- “Trustee”** the Original Trustee or other trustee or trustees as shall be appointed pursuant to and in accordance with the terms of the Trust Deed.
- “Vesting Date”** in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are vested in such Selected Participant pursuant to an Award as referred to in paragraph 5.1.
- “Vesting Period”** in relation to any Selected Participant, the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant as referred to in paragraph 4.1 and ending on the Vesting Date (both dates inclusive).

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of the Plan;
- (B) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## **2. PURPOSES, ADMINISTRATION AND DURATION**

2.1 The purpose of the Plan is, through an award of Shares, to:

(A) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and

(B) to attract suitable personnel for further development of the Group.

2.2 The Plan shall be subject to the administration of the Board or the Committee whose decisions on all matters arising in relation to the Plan or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice (i) the powers of the Trustee as provided under the Trust Deed; and (ii) the powers of the Remuneration Committee on recommending and/or deciding (on and subject to the terms and conditions provided under this Plan) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under this Plan.

2.3 A Selected Participant shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Plan and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Board or the Committee may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

2.4 Subject to paragraph 11, the Plan shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but these rules of the Plan shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

## **3. AWARD OF SHARES**

3.1 The Board or the Committee shall, subject to and in accordance with these rules of the Plan, be entitled (but shall not be bound) to, at any time during the continuation of the Plan, make an award (the “Award”) out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid, as the Board or the Committee shall, subject to paragraph 7, determine pursuant to these rules of the Plan. For the avoidance of doubt until so selected, no Eligible Participant shall be entitled to participate in the Plan.



- 3.2 Without prejudice to paragraph 4.2, the making of an Award to any Connected Person shall be subject to compliance by the Company of the applicable requirements under the Listing Rules.
- 3.3 The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Committee from time to time on the basis of the Board's or the Committee's opinion as to his contribution and/or future contribution to the development and growth of the Group. In assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in the Group's ordinary and usual course of business, the Board shall consider all relevant factors as appropriate, including, among others, (i) the types of surgeries and treatments the Eligible Participant had performed for the patients of the Group in the past 12 months; (ii) the industry experience of the Eligible Participant; (iii) the period of engagement of the Eligible Participant, including whether the Eligible Participant had entered into a consultancy agreement with the Group in the past 12 months with a term of no less than 2 years; and (iv) the Eligible Participant's contribution and/or future contribution to the development and growth of the Group.
- 3.4 The Board or the Committee shall notify the Trustee by a notice in writing (the "**Award Notice**") upon the making of an Award under the Plan and, in the Award Notice, the Board or the Committee shall specify the following:
- (A) the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant;
  - (B) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award;
  - (C) the earliest date ("**Earliest Vesting Date**") and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant under paragraph 5.1;
  - (D) the condition(s) and/or performance target(s) (which may include: (i) aggregate amount of revenue generated by the particular Selected Participant for the financial year; and/or (ii) compound annual growth rate on consolidated audited revenue of the Group as compared to the immediately preceding financial year), if any, that must be attained or paid by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under such Award;
  - (E) the condition(s) and/or performance target(s) of the Selected Participant, if any, that must be duly altered or waived by the Board or the Committee before any of the Awarded Shares (or the net sales proceeds thereof) may be transferred to and vested in such Selected Participant under such Award;

- (F) whether the Awarded Shares or any part thereof should be acquired by subscription, purchase of Shares and/or whether the Awarded Shares or any part thereof should be satisfied by applying any Returned Share(s), and in the case of subscription, the subscription price therefor; and
- (G) such other terms and conditions of such Award as may be imposed by the Board or the Committee which are not inconsistent with these rules of the Plan and the Trust Deed on either the Trustee (with the prior written consent of the Trustee unless the same has already been provided for in the Trust Deed) and the relevant Selected Participant, or any of them before the Awarded Shares may be transferred to and vested in such Selected Participant.

3.5 The Board or the Committee shall notify the Selected Participant in writing after an Award has been provisionally made to such Selected Participant and the notice shall contain substantially the same information as that set out in the Award Notice provided that nothing contained in such notice shall be construed as conferring any rights, interests, benefits and title to and in the Awarded Shares on such Selected Participant before the vesting of the legal and beneficial ownership of such Awarded Shares in the Selected Participant in accordance with these rules of the Plan. An Award shall be deemed to be irrevocably accepted by a Selected Participant unless the Selected Participant shall within five (5) Business Days after receipt of such notice from the Board or the Committee notify the Company in writing that he would decline to accept such Award.

3.6 For so long as the Shares are listed on the Stock Exchange:

- (A) an Award or, as the case may be, any instruction of the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made or given when inside information has come to the Company's knowledge until such inside information has been published in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and
- (B) the Board or the Committee may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award

may be made and no instruction may be given by the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

- 3.7 Subject to the Listing Rules, the Board or the Committee may from time to time, at its discretion, determine the Earliest Vesting Date and other subsequent date(s), if any, upon which the Awarded Shares held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant.
- 3.8 Notwithstanding the provisions of paragraph 3.7, but subject to paragraph 6.2, at any time prior to a Vesting Date, unless the Board or the Committee otherwise determines, in respect of a Selected Participant who:
- (A) died, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his death; or
  - (B) (in the case of a Selected Participant who is an Employee) retired at his normal retirement date, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his normal retirement date; or
  - (C) (in the case of a Selected Participant who is an Employee) retired at an earlier retirement date (with prior written agreement given by the Company or the Subsidiary), all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his earlier retirement date.
- 3.9 Subject to paragraph 5.3, in the event of the death of a Selected Participant, the Trustee shall hold the vested Awarded Shares and the dividends and other distributions declared and made in respect of the vested Awarded Shares (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the Personal Representative(s) of the Selected Participant, and 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 or the Committee shall agree from time to time) or
  - (B) the Trust Period (as defined in the Trust Deed),
- (whichever is the shorter) upon trust to transfer the same to the Personal Representative(s) of the Selected Participant (as notified by the Board or the Committee in writing together with a copy of the death certificate of such Selected Participant or such other documents or evidence of death of such Selected Participant as may be reasonably required by the Trustee, whereupon the Trustee shall be discharged from all duties and liabilities in respect of the Selected Participant) or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held as

Returned Shares for the purposes of the Plan. Notwithstanding the foregoing, the Benefits held upon the trusts 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 constituted by the Trust Deed.

- 3.10 An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant and the Board or Committee shall notify the Trustee in writing accordingly.
- 3.11 The Awarded Shares shall be subject to all the provisions of the Articles and will rank pari passu with the fully paid Shares in issue on the date when such Awarded Shares are vested in the Selected Participant and accordingly will entitle the holders to all voting rights and to participate in all dividends or other distributions paid or made on or after such Vesting Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Vesting Date.

#### **4. POOL OF AWARDED SHARES**

- 4.1 Upon the receipt of an Award Notice, the Trustee shall set aside from the Shares Pool the Awarded Shares provisionally awarded to the Selected Participant to whom such Award Notice relates pending the transfer and vesting of the Awarded Shares under the Award to which such Award Notice relates in accordance with paragraph 5. The Trustee shall hold the Awarded Shares so set aside during the Vesting Period on the terms of the Trust Deed. The Trustee may, at any time during the continuation of the Plan and the Trust Deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the “**Shares Pool**”) comprising the following:
- (A) such Shares as may be purchased by the Trustee on the Stock Exchange or off the market in accordance with paragraph 4.2 by utilising the funds allocated by the Board or the Committee out of the Company’s resources in accordance with paragraph 4.2, but subject to the limitations set out in paragraph 7;
  - (B) such Shares as may be subscribed for by the Trustee in accordance with paragraph 4.2 by utilising the funds allocated by the Board or the Committee out of the Company’s resources in accordance with paragraph 4.2, but subject to the limit set out in paragraph 7;

- (C) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise;
- (D) such Shares which remain unvested and revert to the Trustee pursuant to paragraph 6;
- (E) such Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed; and
- (F) Returned Shares.

4.2 The following provisions of this paragraph 4.2 shall provide for and govern the purchase of and/or subscription for the Awarded Shares by utilising the Group Contribution:

- (A) At any time during any particular financial year, the Board or the Committee, after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), may from time to time cause to be paid to the Trustee from the Company's resources such amount of moneys which may be utilised by the Trustee to purchase and/or subscribe for Shares which will constitute the Shares Pool.
- (B) Within 30 Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board or the Committee may agree from time to time having regard to the circumstances of the purchase concerned) after receiving (a) the Group Contribution; or (b) any Other Distributions referred to in paragraph 5.2(A); or (c) any proceeds arising from such sales as mentioned in paragraph 5.2(B), the Trustee shall apply the same towards the purchase of the maximum number of board lots of Shares or the Further Shares, respectively at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board or the Committee). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five (5) preceding trading days on which the Shares were traded on the Stock Exchange.

- (C) Where any Award is specified to be satisfied by an allotment and issue of new Shares to the Trustee, such allotment and issue should only be made upon fulfilment of the following conditions:
- (a) the Company having obtained Shareholders' approval in general meeting under general mandate to authorise the Directors to allot and issue new Shares provided that:
    - (i) the total number of Shares to be allotted and issued to the Trustee under this Plan shall not exceed the limit specified in paragraph 7;
    - (ii) where any Award is proposed to be made to a Connected Person and the relevant Award of the Awarded Shares is to be satisfied by an allotment and issue of new Shares, the Award shall be separately approved by the Shareholders in general meeting with such Connected Person and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award; and
    - (iii) where there are any other requirements applicable to an Award to any Selected Participant under the Listing Rules from time to time, such requirements shall be complied; and
  - (b) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Shares which may be allotted and issued by the Company to the Trustee pursuant to this Plan.
- (D) Where any Award is proposed to be satisfied by an allotment and issue of new Shares to the Trustee, the Board or the Committee shall notify the Trustee in writing upon the satisfaction of the conditions referred to in paragraphs 4.2(C) (a) and (b) and, subject to paragraph 4.3, the Board or the Committee shall instruct the Trustee in writing to apply to, and the Trustee shall within ten (10) Business Days after actual receipt of such instruction apply to, the Company for the allotment and issue of the appropriate number of new Shares. If the conditions referred to in paragraphs 4.2(C)(a) and (b), or any of them, cannot be satisfied, the Board or the Committee shall forthwith notify and instruct the Trustee and pay or procure to be paid the Group Contribution to the Trustee. Upon the receipt of the instruction and Group Contribution from the Company, the Trustee shall, subject to paragraph 4.3, satisfy any shortfall, actual or contingent, in the Awarded Shares by purchasing the relevant number of Shares on the Stock Exchange in accordance with paragraph 4.2(B), provided that if any Award is proposed to be made to a Connected Person, any allocation of funds by the Company to the Trustee for this purpose shall satisfy all applicable requirements of Chapter 14A of the Listing Rules.

(E) If:

- (i) the Group Contributions received by the Trustee have been applied for purchases of and/or subscriptions for such number of Shares which reaches the maximum number of issued Shares as provided under paragraph 7; or
- (ii) there are any excess Group Contributions after all the said purchases and/or subscription,

the excess Group Contributions shall be returned by the Trustee to the Company as soon as reasonably practicable after completion of all such purchases and/or subscription.

(F) For the avoidance of doubt, Shares purchased and/or subscribed for under this paragraph 4.2 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.

4.3 If any proposed purchase of or, as the case may be, subscription for Shares under paragraph 4.2 shall fall on any day on which the Directors are restricted from making any Award or giving any instruction as referred to in paragraph 3.6, the Trustee shall not effect the relevant purchase and/or subscription. The Trustee shall notify the Board or the Committee in writing at least three (3) Business Days in advance of a proposed date of purchase and/or subscription under paragraph 4.2 and the Board or the Committee shall instruct the Trustee in writing at least two (2) Business Days prior to such proposed date of purchase and/or subscription if such purchase and/or subscription has to be postponed by reason of this paragraph 4.3, whereupon such purchase and/or subscription shall be postponed to such date as notified by the Board or the Committee in writing (and in case the Shares are not traded on the Stock Exchange on such date, the next Business Day on which the Shares are traded on the Stock Exchange).

## **5. VESTING OF THE AWARDED SHARES**

5.1 Subject to paragraphs 5.2(E) and 6, the Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (a) the Earliest Vesting Date as specified in the Award Notice to which such Award relates;
- (b) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee; and

- (c) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related Award Notice have been attained or paid and notified to the Trustee by the Board or the Committee in writing.

## 5.2 During the Vesting Period:

- (A) any dividends and other distributions (“**Other Distributions**”) declared and made in respect of any Awarded Shares shall belong to the Trustee and the relevant Selected Participant shall not have any right whatsoever in such Other Distributions in respect of any Awarded Shares or otherwise unless and until the relevant Awarded Shares are vested in such Selected Participant in accordance with paragraph 5.1. Such Other Distributions shall be applied to subscription for and/or purchase of Shares for the purpose of satisfying any further Awards by the Board or the Committee in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally;
- (B) if the Company offers to Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders for such rights, options or warrants, the Trustee may (at the Trustee’s absolute discretion, after consulting and taking into account the views of the Board or the Committee and the resources which the Trustee has in respect of the Plan) (i) sell any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares held by the Trustee if there is an open market for such rights, options or warrants, or (ii) take steps to exercise such nil-paid rights, options or warrants by applying the Group Contributions in the form of cash then held by the Trustee. The net proceeds of such sale (if so sold) shall be applied to subscription for and/or purchase of Shares for the purpose of satisfying any further Awards by the Board or the Committee in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any nil-paid rights, options or warrants (or the underlying Shares, or the proceeds of sale of any such nil-paid rights, options or warrants) allocated under such offer, or any Shares arising from the exercise of such nil-paid rights, options or warrants;
- (C) if the Company offers to the Shareholders new shares or other securities for subscription by way of rights, options, warrants or other open or preferential offer and consideration is required to be paid for the taking up and/or the exercise of such rights, options, warrants or open or preferential offer, the Trustee may (at the Trustee’s absolute discretion, after consulting and taking into account the views of the Board or the Committee and the resources which the Trustee has in respect of the Plan) (i) decline to take up, purchase and/or



subscribe for such rights, options, warrants or open or preferential offer, or (ii) take steps to take up, purchase and/or subscribe (in whole or in part) for such rights, options, warrants or open or preferential offer by applying the Group Contributions in the form of cash then held by the Trustee. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any such offer;

- (D) without prejudice to sub-paragraph (A) above, with respect to any dividends declared by the Company and in connection with which the Company allows its Shareholders to elect to receive Shares in lieu of cash (as provided for in the relevant announcement and/or circular of the Company), then in respect of the Awarded Shares provisionally set aside for any Selected Participant which have not vested, the Trustee (after consulting the Board or the Committee) shall have the right (in its absolute discretion) to determine whether it shall elect to receive Shares in lieu of cash or cash in respect of such dividends, and any such scrip dividend or cash dividend so elected and received by the Trustee shall be treated as and constitute Other Distributions referred to in paragraph 5.2(A). For the avoidance of doubt, no Selected Participants shall have any right to give any direction to, or make any claim against, the Trustee in relation to the making of the said election; and
- (E) if a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), and such offer becomes or is declared unconditional prior to the vesting of the Awarded Shares in the relevant Selected Participants pursuant to paragraph 5.1, the Selected Participant shall be entitled to be vested with all of his Awarded Shares at any time before the expiry of the period of ten (10) Business Days following the date on which the offer becomes or is declared unconditional.

5.3 In the event that a Selected Participant dies prior to the Vesting Date of the Award relating to such Selected Participant, and such Award has not lapsed or been cancelled by reason of paragraphs 3.8 or 6, the Awarded Shares under such Award shall be held by the Trustee on behalf of the Personal Representative(s) of such Selected Participant and the Trustee shall transfer to such Personal Representative(s), as notified by the Board or the Committee in writing together with a copy of the death certificate of such Selected Participant or such other documents or evidence of death of such Selected Participant as may be reasonably required by the Trustee, such Awarded Shares within a reasonable time after the receipt by the Trustee of the aforesaid documents, whereupon the Trustee shall be discharged from all duties and liabilities in respect of such Selected Participant.

## 6. LAPSE OF AWARDS AND RETURNED SHARES

- 6.1 In the event that any Selected Participant who is an Employee ceases to be an Employee by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled.
- 6.2 In the event (i) a Selected Participant ceases to be an Employee other than for reason as provided in paragraph 3.8, or (ii) the Subsidiary by which a Selected Participant is employed or, in respect of a deceased or retired Selected Participant under paragraph 3.8, was employed immediately prior to his death or retirement, ceases to be a Subsidiary of the Company (or of a member of the Group), or (iii) the Board or the Committee shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group on the other part as the Board or the Committee may in its absolute discretion determine; or (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reasons whatsoever, or (iv) 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) (each of these, an event of “**Total Lapse**”), the Award shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Plan.
- 6.3 In the event (i) a Selected Participant is found to be an Excluded Participant or (ii) (subject to paragraph 3.9) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or such later date as may be determined by the Trustee at its sole and absolute discretion having to all relevant circumstances) for the relevant Awarded Shares within the stipulated period (whether in the ordinary vesting pursuant to the vesting timetable set out in paragraph 3.7 or on such other dates as provided in or determined in accordance with these rules of the Plan) (each of these, an event of “**Partial Lapse**”), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares and other distributions declared and made in respect of the deemed vested Awarded Shares shall form part of the income of the trust fund for the purposes of the Plan.

- 6.4 Except in the circumstances as set out in paragraph 3.8 in respect of the death of a Selected Participant or retirement of a Selected Participant at his normal retirement date or earlier by agreement with the Company or the Subsidiary, or the Invested Entity, or a Total Lapse,
- (A) subject to sub-paragraph (C) and barring any unforeseen circumstances, unless otherwise agreed between the Board or the Committee and the Trustee, one (1) month prior to any Vesting Date, the Trustee shall send to the relevant Selected Participant (via the Company) a direction form together with such prescribed transfer documents and checklist of information and/or documents which require the Selected Participant to execute and/or provide to effect the transfer and/or sale of the Awarded Shares on or as soon as practicable after the relevant Vesting Date;
  - (B) subject to the receipt by the Trustee no later than the date falling seven (7) Business Days before the relevant Vesting Date of (i) the completed direction form and prescribed transfer documents and requisite information and/or documents prescribed by the Trustee and duly signed by the Selected Participant within the period stipulated in the direction form referred to in paragraph 6.4(A) hereof, and (ii) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall as soon as practicable transfer the relevant Awarded Shares to the relevant Selected Participant and/or sell the relevant Awarded Shares and pay to the relevant Selected Participant; and
  - (C) in the event that the number of Business Days between the date of the Award Notice and the Earliest Vesting Date is less than one month, the Trustee shall (within five (5) Business Days from the date of it being notified by the Board of the making of the Award in accordance with paragraph 3.4) send to the relevant Selected Participant (via the Company) a direction form together with such prescribed transfer documents and checklist of information and/or documents which require the Selected Participant to execute and/or provide to effect the transfer and/or sale of the Awarded Shares on or as soon as practicable after the relevant Vesting Date.
- 6.5 The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board or the Committee shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

## 7. SCHEME LIMIT

- 7.1 The aggregate maximum number of Shares (“**Scheme Mandate Limit**”) (i) to be subscribed for and/or purchased by the Trustee by applying the Group Contribution pursuant to paragraph 4.2 for the purpose of the Plan; and (ii) to be issued under any other share option schemes adopted or to be adopted by the Company from

time to time, shall not exceed 10% of the total number of issued Shares as at the Adoption Date (being 52,177,500 Shares) or the relevant date of approval of the refreshment of the Scheme Mandate Limit. The aggregate maximum number of Shares (“**Service Provider Sub-limit**”) to be subscribed for and/or purchased by the Trustee by applying the Group Contribution pursuant to paragraph 4.2 for the Awards to be awarded to all Service Providers pursuant to the Plan shall not exceed 5% of the total number of issued Shares as at the Adoption Date (being 26,088,750 Shares) or the relevant date of approval of the refreshment of the Service Provider Sub-limit. The Board or the Committee shall not instruct the Trustee to subscribed for and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sub-limit being exceeded.

- 7.2 Awards lapsed in accordance with the paragraph 6 of the Plan will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sub-limit. If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, the maximum number of Shares that may be issued by the Company, subscribed for and/or purchased by the Trustee pursuant to the Plan and all other share option schemes of the Company under the unutilised Scheme Mandate Limit or the Service Provider Sub-limit shall be adjusted accordingly, with reference to the total number of issued Shares at the date immediately before and after such event and rounded to the nearest whole Share, such that the Select Participants will be entitled to the same proportion of the Company’s equity capital as to which such Select Participants previously entitled to.
- 7.3 The maximum number of Shares, in a 12-month period up to and including the date of award, which may be subject to an Award or Awards to a Selected Participant together with any Shares to be issued under any options granted to such Selected Participant under any share option schemes of the Company shall not (i) in aggregate exceed 1% of the issued share capital of the Company as at the Adoption Date; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules (“**Individual Limit**”).
- 7.4 Where applicable under the Listing Rules, the Company may grant Awards beyond the Individual Limit to a Selected Participant at any time if:
- (A) the Company has first sent a circular to its shareholders containing the identity of the Selected Participant in question, the number and terms of the Awards to be granted (and Awards previously granted to such Selected Participant in the aforesaid 12-month period), the purpose of granting the Awards to such Selected Participant and an explanation as to how the terms of the Awards serve such purpose;
  - (B) the number and terms of the Awards to be granted to such Selected Participant has been fixed before shareholders’ approval; and

(C) separate shareholders' approval has been obtained in general meeting with the proposed Selected Participant and his close associates (or his associates if the Selected Participant is a connected person) abstaining from voting.

7.5 The Company may seek approval by its shareholders in general meeting for refreshing the Scheme Mandate Limit and/or the Service Provider Sub-limit after three years from the date of shareholders' approval for the last refreshment or the adoption of the Plan and in accordance with the applicable Listing Rules.

## **8. VOTING RIGHTS RE SHARES IN SHARES POOL AND SELECTED PARTICIPANTS HAVING NO RIGHTS**

8.1 The Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the Trust Deed (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Further Shares, the Returned Shares, any bonus Shares and scrip Shares).

8.2 The Selected Participants shall not have any right to receive any Awarded Shares set aside for them pursuant to paragraph 4 unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms hereof. For the avoidance of doubt:

(A) a Selected Participant shall only have a contingent interest in the Awarded Shares which are referable to him subject to the vesting of such Shares in accordance with paragraph 5.1;

(B) a Selected Participant shall have no rights in the Residual Cash or any of the Returned Shares;

(C) no instruction may be given by a Selected Participant to the Trustee in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed;

(D) a Selected Participant shall have no rights in the fractional share arising out of consolidation of Shares (and such Shares shall be deemed as Returned Shares for the purposes of the Plan);

(E) subject to paragraph 3.8, where a Selected Participant ceases to be an Employee 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, any Subsidiary, and Invested Entity or the Trustee; and

- (F) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the Personal Representatives of the Selected Participant is made within the period prescribed in paragraph 3.9 and 5.3, and the Personal Representatives of the Selected Participant shall have no claims against the Company, any Subsidiary, and Invested Entity or the Trustee.

## **9. DISPUTES**

Any dispute arising in connection with the Plan shall be referred to the decision of the Board or the Committee who shall act as experts and not as arbitrators and whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.

## **10. ALTERATION OF THESE RULES OF THE PLAN OR AWARDS**

- 10.1 These rules of the Plan may be altered by the prior sanction of a resolution passed by the Board or the Committee provided that no such alteration (i) is material in nature; (ii) relates to any matters set out under Rule 17.03 of the Listing Rules; or (iii) relates to the authority of the Board or the Committee to alter these rules of the Plan, where in any of such cases such alternation must be approved by shareholders of the Company in general meeting. The amended terms of the Rules of the Plan must comply with all applicable laws, rules and regulations (including without limitation the Listing Rules).
- 10.2 Any change to the terms of Awards granted must be approved by the Board, the Committee, the remuneration committee of the Company, the independent non-executive directors of the Company and/or the shareholders of the Company (as the case may be) if the initial Awards was approved by the Board, the Committee, the remuneration committee of the Company, the independent non-executive directors of the Company and/or the shareholders of the Company (as the case may be).

## **11. TERMINATION**

- 11.1 The Plan shall terminate on the earlier of:
- (i) on the 10th anniversary date of the Adoption Date; and
  - (ii) such date of early termination as determined by the Board or the Committee, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.
- 11.2 If, at the date of the termination of the Plan, the Trustee holds any Share which has not been set aside pursuant to paragraph 3 in favour of any Selected Participant or retains any unutilised funds received as the Group Contribution or otherwise, then the Trustee shall, within twenty-one (21) Business Days (on which the trading of the

Shares has not been suspended) after receiving actual notice of such termination, sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

### 11.3 Upon termination of the Plan:

- (A) Subject to the decision of the Board or the Committee and paragraph 3.8, all the Awarded Shares shall become vested in the Selected Participant on such date of termination, save in respect of the Total Lapse;
- (B) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, within twenty-one (21) Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Plan (or such longer period as the Board or the Committee may otherwise determine);
- (C) Residual Cash, net proceeds of sale referred to in paragraph 11.3(B) hereof and such other funds remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. 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 11.3(B) hereof).

11.4 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 Plan.

## 12. MISCELLANEOUS

12.1 These rules of the Plan shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Plan or any right which he may have to participate in it and the Plan shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of his office or employment for any reason.

12.2 The Company shall bear the costs and expenses of establishing, administering and implementing the Plan (including, for the avoidance of doubt, the Trustee's fees and costs, any transaction levy, investor compensation levy, brokerage, trading fee, trading tariff, stamp duty and any other tax and expenses of whatsoever nature payable on the part of a Selected Participant or the Trustee in respect of any sale, purchase, vesting or transfer of, or subscription for, Shares pursuant to the Plan), but excluding any costs, expenses, levies and taxes which are determined by the

Board or the Committee (in their absolute discretion) to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participant(s) or otherwise unrelated to the making of the relevant Award under the Plan and which shall be payable by the relevant Selected Participant(s).

12.3 Any notice or other communication between the Company, the Board or the Committee, any Selected Participant and/or the Trustee may be given by sending the same by electronic mail, electronic system/platform provided by third-party vendor as selected by the Board or the Committee, prepaid post or by personal delivery to:

- (A) in the case of the Company or the Board or the Committee, the principal place of business of the Company in Hong Kong;
- (B) in the case of the Trustee, its registered office or principal place of business in Hong Kong or such other address as notified by the Trustee to the Company from time to time; and
- (C) in the case of any Selected Participant, his last known address as notified by such Selected Participant to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Group or the Company's principal place of business from time to time.

12.4 Any notice or other communication:

- (A) if sent by any Selected Participant, shall be irrevocable and shall not be effective until actually received by the Company, the Board or the Committee and the Trustee (as the case may be);
- (B) if sent to any Selected Participant shall be deemed to be given or made three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; and five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; and when delivered, if delivered by hand; and
- (C) if sent to the Trustee, shall be irrevocable and shall not be effective until actually received by the Trustee.

12.5 The Plan shall not confer on any person any legal or equitable rights against the Company and the Trustee, or any of them, directly or indirectly or give rise to any cause of action at law or in equity against the Company and the Trustee, or any of them.

12.6 A Selected Participant shall, before accepting an Award and taking the transfer and vesting of the related Awarded Shares to and in him, obtain all necessary consents that may be required to enable him to accept such Award and take such transfer and vesting of the related Awarded Shares, as the case may be, in accordance with these



rules of the Plan. By accepting an Award, the Selected Participant is deemed to have represented to the Company and the Trustee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Award by a Selected Participant. A Selected Participant shall indemnify the Company and the Trustee, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee, as the case may be, may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of such Selected Participant to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award and taking the transfer and vesting of the related Awarded Shares to and in him as referred to in this paragraph 12.6.

12.7 A Selected Participant shall pay all tax and discharge all liabilities to which he may become subject or liable as a result or consequence of his participation in the Plan, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Shares to and in him, or any of the foregoing.

12.8 The Trustee may rely on the Award Notices and instructions and directions in writing, or any of them, given to it by the Directors (or any one or more of them) from time to time under the Plan, and the contents thereof, without further and/or independent inquiry or verification, and may assume the same and the transactions contemplated thereby to be in compliance with all applicable laws, rules, regulations, codes, and guidelines, whether statutory, regulatory, administrative or otherwise and whether having the force of law, and these rules of the Plan and the Trust Deed.

12.9 In respect of the administration of the Plan, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the Listing Rules from time to time.

### **13. GOVERNING LAW**

13.1 The Plan shall operate subject to the Articles.

13.2 The Plan shall be governed by and construed in accordance with the laws of Hong Kong.

***\*\*\* End of these rules of the Plan\*\*\****