

**RULES**

**OF**

**MEDLIVE TECHNOLOGY CO., LTD.**  
**醫脈通科技有限公司**

**SHARE AWARD SCHEME**

Adopted pursuant to a Board Resolution passed on 21 December 2021

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**MEDLIVE TECHNOLOGY CO., LTD.**  
**醫脈通科技有限公司**  
**SHARE AWARD SCHEME**

**1. Definitions and interpretation**

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

“**Administration Body**” means the Board or any committee of the Board delegated with the power and authority by the Board to administer this Scheme from time to time;

“**Effective Date**” means 24 December 2021, being the date designated to be the effective date of this Scheme by the Company pursuant a Board resolution passed on 21 December 2021;

“**Articles**” means the Articles of Association of the Company as amended from time to time;

“**Board**” means the board of Directors;

“**Business Day**” means a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays);

“**change in control**” has the meaning ascribed to the situation as set out in Rule 4.1(d);

“**close associates**” has the meaning ascribed to such term in the Listing Rules;

“**Companies Act**” means the Companies Act, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;

“**Company**” means Medlive Technology Co., Ltd., a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Hong Kong Stock Exchange;

“**Confirmation Letter**” has the meaning ascribed to such term in Rule 4.1(e)(ii);

“**connected person**” has the meaning ascribed to it under Rule 14A.07 of the Listing Rules;

“**Directors**” means the directors of the Company; and “**Director**” means any one of them;

“**Eligible Participant**” means any individual who is an employee (including full time and part time), director (including executive, non-executive and independent non-executive director), officer, agent or consultant of the Company or any Subsidiary and any Related Entity Participant;

“**Excluded Expenses**” means all and any expenses including but not limited to stamp duty, transaction levy, brokerage, tax, social security contributions, withholding tax, or other duty or expenses of whatever nature payable in respect of any sale, vesting or transfer of Shares pursuant to the Scheme;

“**Grant**” means individually or collectively, a grant of Share Awards under this Scheme;

“**Grant Date**” means in relation to any Share Award, the date on which the Share Award is granted as set out in the Grant Letter;

“**Grant Letter**” means the letters to the Eligible Participants notifying them of the Grant and containing the terms referred to in Rule 3.5;

“**Grant Price**” has the meaning ascribed to such term in Rule 3.6;

“**Grantee**” means an Eligible Participant who has been granted and has accepted Share Awards;

“**Group**” means the Company and the Subsidiaries from time to time and the expression “**member of the Group**” shall be construed accordingly;

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

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

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

“**Inside Information Provisions**” means Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“**Lapsed Share Awards**” means such Share Awards which do not vest or are clawed back and lapse as referred to in Rule 5;

“**Lapsed Shares**” means the Shares underlying the Lapsed Share Awards;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“**Personal Representative**” means the person or persons who, according to the laws of succession applicable in respect of the death of an individual, is or are entitled to deal with the property of that individual;

“**Post-IPO Share Option Scheme**” means the post-IPO share option scheme adopted by the Shareholders on 18 June 2021;

“**Purchase Money**” has the meaning ascribed to such term in Rule 2.4(d);

“**PRC**” means the People's Republic of China;

“**Related Entity**” means any of the holding companies, fellow subsidiaries or associated companies of the Company;

“**Related Entity Participant**” means any individual who is an employee (including full time and part time), director (including executive, non-executive and independent non-executive director), officer, agent or consultant of any Related Entity;

“**Remuneration Committee**” means the remuneration committee of the Company;

“**Rules**” means the rules of this Scheme as amended from time to time;

“**Scheme**” means this share award scheme in its present or any amended form;

“**Scheme Mandate Limit**” has the meaning ascribed to such term in Rule 6.1;

“**Scheme Period**” means the period of 10 years commencing from the Effective Date;

“**Share Award**” means the award of Shares, subject to vesting, to Eligible Participants pursuant to this Scheme;

“**Shareholders**” means shareholders of the Company;

“**Shares**” means share(s) in the issued share capital of the Company;

“**Subsidiary**” means a subsidiary of the Company; and “**Subsidiaries**” shall be construed accordingly, and for the avoidance of doubt, include entities controlled by the Company directly or indirectly through contractual arrangements;

“**substantial shareholder**” has the meaning ascribed to such term in the Listing Rules;

“**subsidiary**” has the meaning ascribed to such term in Section 13 to 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) whether incorporated in Hong Kong or elsewhere;

“**Trust**” means the trust established for the purpose of this Share Award Scheme;

“**Trust Deed**” means the trust deed constituting the Trust, as restated, supplemented and amended from time to time;

“**Trustee(s)**” means the trustee(s) of the Trust appointed by the Company pursuant to this Share Award Scheme;

“**Vesting Consideration**” has the meaning ascribed to such term in Rule 3.6;

“**Vesting Date**” has the meaning ascribed to such term in Rule 4.1(e)(i);

“**Vesting Notice**” has the meaning ascribed to such term in Rule 4.1(e)(ii)

“**Vesting Price**” has the meaning ascribed to such term in Rule 3.6; and

“**Vested Shares**” has the meaning ascribed to such term in Rule 4.1(e)(iv).

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

**1.3** Except insofar as the context otherwise requires:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) words denoting the masculine gender shall include the feminine gender;
- (c) a reference to any document in this Scheme is to that document as amended, consolidated, supplemented, novated or replaced from time to time; and

- (d) paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References to paragraph or subparagraphs are to paragraphs or sub-paragraphs of this Scheme.

#### **1.4 In construing this Scheme:**

- (a) any references to a grant of Share Awards or Share Awards granted or to be granted shall, where applicable, include a conditional grant of Share Awards or Share Awards conditionally granted or to be conditionally granted;
- (b) 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
- (c) general words shall not be given a restrictive meaning by reason of that fact that they are followed by particular examples intended to be embraced by the general words.

## **2. Purposes, duration and administration**

### **2.1 Purposes**

The purposes of this Scheme are:

- (a) to encourage or facilitate the holding of Shares by the Eligible Participants;
- (b) to encourage and retain such individuals to work for the Group or to make contribution to the Group; and
- (c) to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Eligible Participants with the shareholders of the Company through ownership of Shares.

### **2.2 Duration**

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

### **2.3 Administration**

- (a) This Scheme shall be subject to the administration of the Administration Body in accordance with the Rules. The Administration Body’s determinations under this Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, Share Awards under it.
- (b) The Board has the power to construe and interpret these Rules and the terms of the Share Awards granted under it. The decision of the Board as to all matters relating to this Scheme or its interpretation or effect shall be final and binding on all parties.
- (c) Without prejudice to Rules 9.1(a) and 9.1(b), the Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the provisions of the Scheme.

- (d) The power and/or authority of the Administration Body and the Board as stipulated under this Rule 2.3 is subject to compliance with all applicable Listing Rules. To the extent that the Listing Rules provide for any decision or matter for determination relating to this Scheme to be made or determined by the Remuneration Committee and/or Shareholders in a general meeting (as the case may be), the Administration Body or the Board (as the case may be) shall exercise its power and/or authority in accordance with the decision or determination of the Remuneration Committee and/or Shareholders in a general meeting (as the case may be).

## 2.4 Trustee

- (a) The Company shall appoint one or more Trustee to assist with the administration and vesting of the Share Awards granted pursuant to this Scheme.
- (b) The Administration Body may at any time during the Scheme Period direct and procure the Trustee to subscribe for new Shares either under its available general mandate on the relevant Grant Date or under a specific mandate approved or to be approved by the Shareholders at such subscription price as the Administration Body may direct, using funds of the Company subject to compliance with the Companies Act and the Listing Rules, and to hold such new Shares for the benefit of all or one or more of the Eligible Participants and/or Grantees and for the satisfaction of Share Awards granted or to be granted under this Scheme upon vesting.
- (c) The Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Administration Body may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Share Awards granted pursuant to this Scheme.
- (d) Without prejudice to the generality of Rule 2.4(c) and subject to the limitations and restrictions set out in Rule 2.4(e), the Company may from time to time cause to be paid to the Trustee such amounts of funds from the Company's resources as the Administration Body may in its absolute discretion determine, for the subscription of new Shares pursuant to Rule 2.4(b) and the payment of the related expenses, transaction levy, brokerage, tax, duties and levies (the "**Purchase Money**"). The Trustee shall, subject to the limitations and restrictions set out in Rule 2.4(e) and in compliance with the requirements of the Listing Rules, subscribe for such number of new Shares as the Administration Body shall direct.
- (e) No payment shall be made to the Trustee and no instructions to subscribe for and/or purchase Shares shall be given to the Trustee pursuant to the Scheme:
  - (i) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in accordance with the Listing Rules and the Inside Information Provisions;
  - (ii) on any day on which the Company's financial results are published and: (i) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the Company's 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, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules; or

- (iii) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

### **3. Offer and Acceptance of Grant of Share Awards**

#### **Offer of Grant**

**3.1** Subject to the limits specified in Rule 6 not being exceeded and the restrictions specified in Rule 3.2 and any applicable regulatory and legal requirements including, if appropriate, any codes of conduct, the Administration Body may, at its absolute discretion and in fulfilment of the purposes of this Scheme but subject to compliance with applicable requirements of the Listing Rules, offer the grant to any Eligible Participant such number of Share Awards at the Grant Price and at such Vesting Price as the Administration Body may determine.

**3.2** Notwithstanding the provision in Rule 3.1, No Grant shall be made to any Eligible Participant:

- (a) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in accordance with the Listing Rules and the Inside Information Provisions;
- (b) on any day on which the Company's financial results are published and: (i) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the Company's 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, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules; or
- (c) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been obtained.

**3.3** Where any grant of Share Awards is proposed to be made to any Eligible Participant who is a Director (including the independent non-executive Director) or a substantial shareholder of the Company, such grant must first be approved by the Remuneration Committee and then the Board, and in each case excluding any Director who is the proposed Eligible Participant. Where the Share Awards granted to any such Eligible Participant exceed the relevant limit set out in the Listing Rules, such grant shall also be subject to approval by independent shareholders of the Company if so required under the Listing Rules.

#### **3.4 Acceptance of Grants of Share Awards**

- (a) Grants of Share Awards shall be open for acceptance in writing or by facsimile transmission or by electronic communication received by the Chairperson of the Company (or a person designated by him/her) for such period (not exceeding 30 days inclusive of, and from, the Grant Date) as the Administration Body may determine and notify to the Eligible Participants concerned provided that no such Grant shall be open for acceptance after the expiry of the Scheme Period. Grants of Share Awards not accepted within the period as determined by the Administration Body shall lapse and

the Eligible Participant shall have no claims whatsoever against the Company or the Trustee.

- (b) No Share Award certificates or other document of title shall be issued by the Company for the grant of Share Awards.

### 3.5 Terms of Share Awards

Share Awards shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the Grant Letter for the Share Awards, which shall include at least the following:-

- (i) the Grant Price and the Vesting Price;
- (ii) a vesting schedule indicating the minimum period for which any Share Award must be held before it can be exercised, which period shall not be less than 12 months but in any event not more than 10 years from the Grant Date in respect of any Share Award;
- (iii) the performance targets which need to be achieved by the Company and/or the Grantee before the Share Award can be vested. For the avoidance of doubt, the performance targets set can be for more than one financial periods; and
- (iv) where applicable, a clawback mechanism whereby if and to an extent the performance targets are not reached or in the event of serious misconduct or any material breach of duties and responsibilities by any Grantee, any or all of the Share Awards granted will be withheld, reduced or lapsed, as the case may be and as determined by the Administration Body. Share Awards that are withheld may be vested in the same Grantee in the future if the Administration Body so determined. Reduced Share Awards are considered lapsed and shall be dealt with in accordance with Rule 5.

Any terms and conditions determined by the Board must not be contrary to the purpose of this Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the Remuneration Committee.

### 3.6 Grant Price and Vesting Consideration

- (a) The amount payable by a Grantee for the acceptance of the grant of Share Awards (the “**Grant Price**”) shall be US\$0.00001 per underlying Share of the Share Awards granted, which shall be paid upon such acceptance. This consideration shall not be refundable to the Grantee and shall not be deemed to be a part payment of the Vesting Consideration.
- (b) The amount payable by a Grantee upon vesting in order to receive the Vested Shares (the “**Vesting Consideration**”) shall be the sum of the Vesting Price (being an amount per Vested Share determined by the Administration Body at the time of the Grant at its absolute discretion and set out in the Grant Letter, which for the avoidance of doubt, can be nil if the Administration Body so determined) and the Excluded Expenses in respect of the Vested Shares. The Company and the Trustee shall not be liable to pay any part of the Vesting Consideration.
- (c) In determining the Vesting Price, the Administration Body shall at its discretion take into account any or all of the following factors: (i) the position of the Eligible Participant in the Group or otherwise; (ii) the years of service of the Eligible Participant; (iii) the past performance of the Eligible Participant; (iv) the skills and qualifications of the Eligible Participant; and (v) other vesting conditions that may be imposed.



### 3.7 Non-Transferability of Share Awards

Except for the transmission of a Share Award on the death of a Grantee to his personal representatives, neither the Share Awards nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Grantee to any other person or entity, except with the written consent of the Administration Body after obtaining any necessary approval, consent or waiver from the Hong Kong Stock Exchange. If a Grantee transfers, assigns or disposes of any such Share Awards or rights, whether voluntarily or involuntarily, the relevant Share Awards will immediately lapse.

## 4. Vesting

### 4.1 Vesting Conditions

- (a) Without prejudice to Rule 3.5, all vesting conditions of Shares Awards granted to any Eligible Participant shall be set out in the Grant Letter issued to such Eligible Participant. Notwithstanding any other provisions of this Scheme (but subject to compliance with the Listing Rules), the Board shall be at liberty to add or waive any restrictions with respect to the vesting conditions referred to in Rule 3.5 and this Rule 4.1 with respect to any Eligible Participant where in the opinion of the Board it is desirable to do so.
- (b) Lapse of Share Awards
  - (i) If at any time, a Grantee:
    - (A) ceases to be an Eligible Participant by reason of such Grantee:
      - (aa) being terminated, or being given notice of termination, by the Company or any Subsidiary or any Related Entity for cause. For the purposes of this paragraph and all other relevant provisions hereunder (if any) relating to termination for cause, “**cause**” shall mean any circumstances under which the Company or the relevant Subsidiary or Related Entity may be entitled to immediately, summarily or without notice terminate the employment, engagement or appointment of the Grantee in accordance with the terms of the relevant agreement, arrangement or applicable laws;
      - (bb) being summarily dismissed, or being given notice of such summary dismissal, by the Company or any Subsidiary or any Related Entity in so far as such Grantee is an Employee; or
      - (cc) tendering of his resignation (other than in circumstances where he is constructively dismissed);
    - (B) becomes bankrupt or fails to pay his debts within a reasonable time after they become due; or has made any arrangement or composition with his creditors generally;
    - (C) has been convicted or found guilty or liable for any criminal or civil offence or regulatory sanction involving his integrity or honesty; or

- (D) has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time,

then any unvested Share Awards shall automatically lapse forthwith and all the Share Awards (to the extent not already vested) shall not vest on the relevant vesting dates and such Grantee shall have no claim whatsoever against the Company or the Trustee. Any unvested Shares Awards that have lapsed in accordance with this Rule 4.1(b) shall become Lapsed Share Awards for the purposes of the Scheme and be dealt with in accordance with Clause 5.

- (ii) For the purpose of this Rule 4.1(b), a Grantee shall be regarded as remaining as an Eligible Participant notwithstanding that he ceases to hold a position of employment or office with or be an agent or consultant of the Company or a Subsidiary or a Related Entity, if at the same time he takes up a different position of employment and/or office with, or continues to be an agent or consultant of another Subsidiary or Related Entity, as the case may be.

- (c) Rights on Death, Disability, Retirement, Dismissal without Cause and Winding Up, etc.

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

- (i) his death;
- (ii) his disability;
- (iii) if he is an Employee, retirement, redundancy, severance or dismissal without cause;
- (iv) the Subsidiary or Related Entity by which such Grantee is employed or contracted with (as the case may be) ceases to be a Subsidiary or Related Entity (as the case may be);
- (v) an order for the winding up of the Company is made or a resolution is passed for the voluntary winding up of the Company,

then notwithstanding that the Grantee has ceased to be an Eligible Participant, any unvested Share Awards shall, subject to the satisfaction of the vesting conditions as set out in the Grant Letter issued to such Grantee (other than those vesting conditions relating particularly to such Grantee, if any), continue to vest according to the vesting schedule as set out in the Grant Letter.

- (d) Vesting Upon Change in Control

If an offer by way of takeover, merger, scheme of arrangement, share repurchase or otherwise is made to all Shareholders (or all Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) resulting in a change in control of the Company, and such offer becomes or is declared unconditional (i.e. all conditions to which such transaction is subject have been satisfied) (a “**change in control event**”) prior to the vesting of Share Awards in the Grantees, then notwithstanding the vesting conditions set out in the relevant Grant Letters not having been satisfied, all Share Awards shall immediately so vest, subject to compliance with all applicable Listing Rules.

- (e) Vesting of Shares Awards

- (i) Subject to the vesting conditions set out in the relevant Grant Letter being fulfilled, Share Awards shall vest in accordance with the Grant Letter (the date or each such date on which the Share Awards are to vest is referred to as a “**Vesting Date**”).
- (ii) The Administration Body shall send to each Grantee or (where applicable) his Personal Representative a vesting notice (i) not less than 7 days prior to each Vesting Date or (ii) (in the case of Rule 4.1(d)) on the date a change in control event of the Company is announced (the “**Vesting Notice**”). When Share Awards held by a Grantee vest in accordance with the rules of this Scheme, the Administration Body shall also issue to the Trustee a letter confirming, among other things, (aa) the vesting conditions (if any) have been fulfilled or the occurrence of a change in control event (as the case may be); and (bb) setting out the number of Shares subject to vesting in each relevant Grantee or (where applicable) his Personal Representative pursuant to this Rule 4.1(e)(ii) (the “**Confirmation Letter**”).
- (iii) The Vesting Notice shall set out the number of Shares subject to vesting in respect of the relevant Grantee or (where applicable) his Personal Representative on the relevant Vesting Date and the estimated amount of the Vesting Consideration in relation to such vesting.
- (iv) Within 7 days of the date of the Vesting Notice, the Grantee or (where applicable) his Personal Representative shall either (aa) pay to the Trustee the Vesting Consideration in cash and instruct the Trustee to transfer the Vested Shares to him; or (bb) instruct the Trustee to dispose of sufficient number of the Shares subject to vesting (the “**Vested Shares**”) on the market for the payment of the Vesting Consideration and pay to him the net proceeds from the sale (after deducting the Vesting Price and all Excluded Expenses actually incurred) (the “**Net Proceeds**”) and transfer to him any remaining Vested Shares after such disposal.
- (v) Upon vesting of the Share Awards and (where applicable) receipt of the payment of the Vesting Consideration, and provided that none of the events set out in Rules 4.1(b) and 4.1(c) have occurred prior to vesting, the Trustee shall proceed to transfer the Vested Shares and/or pay the Net Proceeds (and in each case, if applicable, the cash, non-cash income, dividend or distributions and/or sale proceeds of non-cash and non-scrip distributions in respect of those Vested Shares) to the relevant Grantee or (where applicable) his Personal Representative within 21 Business Days after the Vesting Date.

## 4.2 Cash and Non-Cash Income

- (a) All cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share held by the Trustee under this Scheme (whether held as Shares or Lapsed Shares but excluding any Vested Shares if the record date of the declaration of such income, dividend or distributions is on or after the vesting of the relevant Share Awards) shall form part of the trust fund of the Trust. The Grantee shall be entitled to receive all cash, non-cash income, dividend or distributions and/or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share referable to a record date on or after the vesting of the Share Awards.
- (b) The Trustee shall apply the trust fund in Rule 4.2(a) initially to defray the fees, costs and expenses of the Trust, including without limitation all of the Trustee's fees.

### **4.3 Restrictions and Limitations**

- (a) Other than in the case of Rule 4.1(c)(i), any Grant made herein shall be personal to the Grantee to whom it is made and shall not be assignable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over the Share Awards pursuant to such Grant or any of the Vested Shares or Lapsed Shares under the Scheme, except with the consent of the Company, which consent shall not be given unless all applicable Listing Rules requirements have been fully complied with.
- (b) A Grantee shall not have any contingent interest in the Share Awards which are referable to him until such Share Awards have been vested as Vested Shares in accordance with the provisions set out in Rule 4.1(e).
- (c) A Grantee shall have no rights in (i) any cash, non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions in respect of any Lapsed Share Award; and (ii) any cash remaining in the trust fund of the Trust.
- (d) The Trustee shall not be entitled to exercise the voting rights in respect of any Shares underlying Share Awards which have not been vested which are held under the Trust. To the extent that the Trustee holds any Vested Shares, the Trustee shall be entitled to exercise the voting rights in respect of the Vested Shares only in accordance with the instructions of the relevant Grantee(s) who are entitled to the Vested Shares.
- (e) The Trustee may not subscribe for any new Shares pertaining to either (i) an open offer of new securities; or (ii) bonus warrants issued in respect of any Shares held by the Trustee. In the event of a rights issue, the Trustee shall sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Trustee shall sell the bonus warrants granted to it. The net proceeds from the sale of such rights shall be held as cash income of the trust fund of the Trust and shall be applied in accordance with Rule 4.2.
- (f) The Trustee shall at all times elect to receive scrip dividend.

### **4.4 Compliance**

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

### **5. Lapsed Share Awards**

Where Shares Awards, referable to a Grantee, do not vest or are clawed back in accordance with the relevant provisions herein and/or in Grant Letters and become Lapsed Share Awards, the Trustee shall hold such Lapsed Shares underlying the Lapsed Share Awards and all cash, non-cash income, dividends or distributions and/or sale proceeds of such non-cash and non-scrip distributions derived therefrom for the benefit of all or one or more of the Eligible Participants. Subject to the limitations and restrictions set out in Rule 3.2, Rule 6 and applicable Listing Rules, the Administration Body may at any time make one or more Grants in respect of those Lapsed Shares held by the Trustee in its absolute discretion.

## **6. Scheme Mandate Limit and Individual Limits**

### **6.1 Scheme Mandate Limit**

- (a) The total number of Shares to be issued pursuant to this Scheme, together with the total number of Shares to be issued under all other employee incentive schemes of the Company, including without limitation, the Post-IPO Share Option Scheme, shall not exceed 10% of the issued share capital of the Company as at the Effective Date (the “**Scheme Mandate Limit**”).
- (b) For the avoidance of doubt, Lapsed Share Awards and lapsed options (as the case may be) in accordance with the terms of this Scheme or other employee incentives schemes including without limitation, the Post-IPO Share Option Scheme (as the case may be) shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (c) The Scheme Mandate Limit may be refreshed by approval of Shareholders, as permitted and in accordance with the requirements under the Listing Rules.
- (d) The Company may grant Share Awards beyond the Scheme Mandate Limit provided that the Share Awards are granted only to Eligible Participants specifically identified by the Company and approved by Shareholders, as permitted and in accordance with the requirements under the Listing Rules.

### **6.2 Individual Limits**

- (a) Without prejudice to Rules 6.2(b) and (c), no individual Eligible Participant shall be granted Share Awards where such Grant will result in the Eligible Participant being granted in the 12-month period up to and including the date of Grant (or such percentage limit permitted under the Listing Rules), Share Awards and options in aggregate over 1% of the Shares in issue at the time of Grant, unless such Grant is approved by Shareholders in a general meeting where the Grantee and his close associates have abstained from voting.
- (b) Any grant of Share Awards to a Director, chief executive or substantial shareholder of the Company or any of their respective associates or to any Related Entity Participant must be approved by the Remuneration Committee (excluding any Director who is the relevant Eligible Participant).
- (c) Where any Grant of Share Awards to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued or to be issued in respect of all Share Awards granted (excluding Lapsed Share Awards) to such person in the 12-month period up to and including the date of Grant, representing in aggregate over 0.1% of the Shares in issue at the time of Grant (or such percentage limit permitted under the Listing Rules), such Grant must be approved by Shareholders in a general meeting where the relevant Grantee and his close associates have abstained from voting.

## **7. Withholding**

- 7.1** The Company or any Subsidiary shall be entitled to withhold, and any Eligible Participant shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Share Awards.
- 7.2** The Administration Body may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any Subsidiary receive advice concerning the

occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such Subsidiary any tax deduction resulting from the occurrence of such event.

- 7.3** The Company or any Subsidiary may, by notice to the Eligible Participant and subject to any rules as the Administration Body may adopt, require that the Eligible Participant pay at the time of his acceptance of the Grant an amount estimated by the Company or any Subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Grant.

## **8. Consolidation, Sub-division and Bonus issue**

- 8.1** In the event the Company undertakes a sub-division or consolidation of the Shares, the Administration Body shall make corresponding changes to the number of Share Awards that have been granted provided that the adjustments shall be made in such manner as the Administration Body determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Grantees.

- 8.2** In the event of an issue of Shares by the Company credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, the Shares attributable to any Share Awards shall be deemed to be an accretion to such Share Awards and all the provisions hereof in relation to the original Share Awards shall apply to such additional Shares.

## **9. Disputes**

Any dispute arising in connection with the Scheme shall be referred to the decision of an independent party (to be jointly appointed by the Board and the Trustee) who shall act as experts and not as arbitrators and whose decision shall be final and binding.

## **10. Amendment, cancellation and termination**

### **10.1 Amendment**

- (a) Subject always to compliance with the Listing Rules, any alterations to the terms of this Scheme which are of a material nature or any alterations to the provisions herein that are regulated by the Listing Rules to the advantage of any Grantee shall be approved by the Shareholders in a general meeting.
- (b) Subject always to compliance with the Listing Rules, any change to the terms of Share Awards granted to an Eligible Participant must be approved by the Remuneration Committee and/or the Shareholders in a general meeting (as the case may be) if the initial Grant of the relevant Share Awards was approved by the Remuneration Committee and/or the Shareholders in a general meeting (as the case may be). This requirement shall not apply where the change takes effect automatically under the provisions herein.
- (c) Written notice of any amendment to this Scheme shall be given to all Grantees.

### **10.2 Cancellation**

Without prejudice to the clawback provisions contained herein or in grant letters, the Board may also at its discretion cancel any Share Award that has not vested provided that:

- (a) the Company or the relevant Subsidiary or Related Entity provides to the Grantee a replacement award (or a grant or option under any other share award scheme, share option scheme or share-related incentive scheme) of equivalent value to the Share Awards to be cancelled; or
- (b) the Board makes any arrangement as the Grantee may agree in order to compensate him/her for the cancellation of the Share Awards.

### **10.3 Termination**

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

- (a) Any termination shall be without prejudice to any subsisting rights of any Eligible Participant and Grantee.
- (b) Upon termination (whether due to early termination or upon expiry of the Scheme Period), no further Share Awards shall be granted. The Company shall notify the Trustee of such termination.
- (c) Upon receipt of the notification of termination from the Company in writing, the Trustee shall within 15 Business Days of receiving such notice of termination, or such longer time as the Trustee and the Administration Body may agree from time to time, transfer all Vested Shares held by and in the trust fund of the Trust to the relevant Grantees or his (where applicable) Personal Representative; and sell all Lapsed Shares and Shares which are not subject to any Share Awards and non-cash income and non-scrip distributions attributable to such Lapsed Shares and Shares remaining in the Trust, if any, and remit the proceeds of sale of the same together with any residual cash accrued in the Trust, net of all appropriate expenses in connection with such sale in accordance with the Trust Deed, to the Company forthwith after the sale. The Administration Body shall notify the Trustee and the Grantees how the outstanding Share Awards shall be dealt with upon termination of this Scheme.
- (d) For the avoidance of doubt, the Trustee may not in any event transfer any Shares to the Company upon termination of this Scheme.

## **11. Miscellaneous**

- 11.1** The Company shall be responsible for the costs of establishing and administering the Scheme. Unless otherwise approved by the Trustee, at its sole and absolute discretion, all Excluded Expenses shall be borne by the Eligible Participants and/or Grantees.
- 11.2** This Scheme shall not form part of any contract of employment or contract for service (as the case may be) between the Company or any Subsidiary or any Related Entity on the one hand and any Eligible Participant on the other, and the rights and obligations of any Eligible Participant under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 11.3** Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Share Awards or Vested Shares themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

- 11.4** Any notice to be given to the Company shall be faxed, delivered or posted to the Company at its registered office in Hong Kong or principal office in Beijing and shall be effected upon receipt.
- 11.5** Any notice or other communication served by post:
- (a) by the Company or the Trustee shall be deemed to have been served 24 hours after the same was put in the post; and
  - (b) by an Eligible Participant or Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 11.6** The Company and the Trustee shall not be responsible for any failure by any Eligible Participant or Grantee to obtain any consent or approval required for such Eligible Participant or Grantee to participate in this Scheme or for any tax, duty, expenses, fees or any other liability to which he/she may become subject as a result of his or her participation in this Scheme.
- 11.7** In the event there is any inconsistency between the English version and the Chinese version of this Scheme, the English version shall prevail.
- 12. Governing law**
- 12.1** This Scheme shall operate subject to the Articles.
- 12.2** This Scheme and the Share Awards granted under this Scheme shall be governed by and construed in accordance with the laws of Hong Kong.