
RULES RELATING TO
THE AAC 2023 SHARE AWARD SCHEME

(as adopted on 17 April 2023 and amended by shareholders at general meeting held on 22 May 2025)

1 DEFINITIONS AND INTERPRETATION

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

“Acceptance Period” has the meaning ascribed to it in Paragraph 5.2(F);

“Adoption Date” 17 April 2023, being the date on which the Scheme is adopted by the Company;

“Amendment Date” the date on which amendments to the Scheme are duly approved and adopted by the Shareholders;

“Award” an award of Awarded Shares by the Board pursuant to Paragraph 5.2(A) and/or an award of cash award by the Board pursuant to Paragraph 5.3(DE), as the case may be, to a Selected Employee;

“Awarded Share(s)” in respect of a Selected Employee, such number of Shares (including any additional Shares and/or cash award referred to in Paragraph 5.3(DE)) as awarded by the Board;

“Board” the board of directors of the Company and if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme;

“Business Day” a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;

“Company” AAC Technologies Holdings Inc., a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock code: 2018);

“connected person(s)” has the meaning ascribed to it in the Listing Rules;

“Contributed Amount” cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time;

<u>“core connected person(s)”</u>	<u>has the meaning ascribed to it in the Listing Rules;</u>
<u>“Director(s)”</u>	<u>the director(s) of the Company;</u>
“Employee”	any employee (including without limitation any executive director but excluding any non-executive director or independent non-executive director) of any member of the Group (other than Excluded Employees);
“Excluded Employee”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee;
“Grant Notice”	has the meaning ascribed to it in Paragraph 5.2(E);
“Group”	the Company and its Subsidiaries from time to time, and “member of the Group” means any or a specific one of them;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
<u>“Overall Scheme Limit”</u>	<u>has the meaning ascribed to it in Paragraph 6(B);</u>

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“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof (other than the Refund Amount (as defined in Paragraph 5.1(DE) below)); (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares;	
“Scheme”	means “The AAC 2023 Share Award Scheme” constituted by the rules hereof, in its present form or as amended from time to time in accordance with the provisions hereof;	
“Selected Employee(s)”	Employee(s) selected by the Board pursuant to Paragraph 5.2(A) for participation in the Scheme;	<u>LR 17.03(2)</u> <u>LR 17.03A</u>
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);	
“Shares”	ordinary shares of US\$0.01 each in the capital of the Company (<u>including, for clarity, treasury Shares</u>) (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);	
<u>“Share Scheme(s)”</u>	<u>the Scheme and, if applicable, any other share scheme(s) adopted by the Company from time to time;</u>	
<u>“Shareholder(s)”</u>	<u>holder(s) of Shares of the Company;</u>	
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;	
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;	
<u>“substantial shareholder(s)”</u>	<u>has the meaning ascribed to it in the Listing Rules;</u>	

<u>“treasury Share(s)”</u>	<u>the Shares repurchased and held by the Company in treasury (if any), as authorised by the applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction, the memorandum and articles of association of the Company and the Listing Rules;</u>
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees, including without limitation:</p> <ul style="list-style-type: none"> (a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash or, <u>or all Shares issued and allotted to the Trust, or all Shares</u> transferred to it as referred to in Paragraph 5.1(A), <u>or all Shares</u> otherwise held by the Trustee and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; (b) any Residual Cash; (c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under the terms of the Scheme; and (d) all other properties from time to time representing (a), (b) and (c) above;
“Trust Period”	shall have the meaning as set out in Clause 2.30 of the Trust Deed;
“Trustee”	BOCI Trustee (Hong Kong) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed;

US\$	United States dollars, the lawful currency of the United States of America;
“Vesting Date”	in respect of a Selected Employee, the date on which his <u>or her</u> entitlement to the Awarded Shares is vested in such Selected Employee in accordance with Paragraph 5.3(A) and other terms of the Scheme; and
“Vesting Notice”	has the meaning ascribed to it in Paragraph 5.3(B <u>C</u>);
<u>“1% Individual Limit”</u>	<u>has the meaning ascribed to it in Paragraph 6(F); and</u>
<u>“%”</u>	<u>per cent.</u>

(B) In these rules of the Scheme, save where the context otherwise requires:-

- (i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of these rules of the Scheme;
- (ii) references to Paragraphs and Schedules are references to paragraphs and schedules of these rules of the Scheme;
- (iii) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (iv) expressions in the singular shall include the plural and vice versa;
- (v) expressions in any gender shall include other genders; and
- (vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

(C) References in the Scheme to the term “new Share(s)” shall, unless specified otherwise, include both new Shares issued, and treasury Shares transferred, by the Company to satisfy Awards granted under the Scheme, and the phrases “issue new Share(s)”, “Share(s) that may be issued”, “allot new Share(s)”, “Share(s) that may be allotted” or similar phrases in the Scheme shall be construed to include the transfer of treasury Shares accordingly.

2 PURPOSES AND OBJECTIVES

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

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- (i) to achieve the long-term business objectives of the Group;
- (ii) to implement the Group’s long-term business strategy;
- (iii) to enhance the value of the Group;
- (iv) to advance the growth and achieve sustainable development of the Group; and
- (v) to enable the employees of the Group to share the success in the growth of the Group.

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

3 DURATION

Subject to any early termination as may be determined by the Board pursuant to Paragraph 10~~2~~, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

LR 17.03 (11)

4 ADMINISTRATION

- (A) The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final, conclusive and binding.
- (B) The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

5 OPERATION OF SCHEME

5.1 ~~Contribution~~Source of Awarded Shares and contribution of funds to the Trust

- (A) Subject to the other provisions of the Scheme and applicable laws and regulations, after the Company has granted the Award(s) to any Selected Employee, it may, for the purposes of satisfying the Award(s) granted, (a) issue and allot new Share(s) to the Trustee; and/or (b) pay or cause to be paid any Contributed Amount to the Trust and instruct the Trustee to acquire Shares on the market; and/or (c) arrange such Shares to be transferred by another trustee of another share award scheme of the Company to the Trustee, which (other than the Refund Amount (as defined in Paragraph 5.1(E) below)) shall constitute part of the Trust Fund.
- (B) ~~(A)~~ The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary as directed by the Board for the purchase of Shares and other purposes set out in ~~thesethe provisions of the Scheme Rules and the Trust Deed, and/or arrange such Shares to be transferred by another trustee of another share award scheme of the Company to the Trustee, which (other than the Refund Amount (as defined in Paragraph 5.1(D) below)) shall constitute part of the Trust Fund.~~
- (C) ~~(B)~~ Subject to Paragraphs 5.5(~~B~~C) and 7~~6~~(A), the Board may from time to time instruct the Trustee in writing (the “**Written Instruction**”) to purchase Shares on the Stock Exchange. Once the Shares are purchased, the Shares are to be held by the Trustee for the benefit of Employees under the Trust on and subject to the terms and conditions of the Scheme and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify in the Written Instruction the maximum amount of funds to be used out of the Contributed Amount and/or the Residual Cash (other than the Contributed Amount) for the purposes of such purchase, and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the stipulated amount of funds or purchase any Shares at a price falling outside the range of prices so specified (as applicable) unless with the prior written consent of the Board.

(D) ~~(C)~~ As soon as practicable after receiving the Written Instruction from the Company under Paragraph 5.1(~~BC~~) with respect to the purchase of the Shares on the Stock Exchange and during such period until being notified by the Board to suspend or cease the purchase, the Trustee shall apply such amount of the Contributed Amount and/or Residual Cash (other than the Contributed Amount) towards the purchase of such maximum board lot of Shares at the prevailing market price, according to the instructions set out in the notice. The Trustee shall also pay the related purchase expenses (including for the time being, the brokerage fee, stamp duty, the Securities and Futures Commission transaction levy and Stock Exchange trading fee), if any, and such other necessary expenses required for the completion of the purchase of the Shares on the Stock Exchange. For the avoidance of doubt, all Shares so purchased and the remaining balance of any Residual Cash (other than the Refund Amount (as defined in Paragraph 5.1(~~DE~~) below)) shall form part of the Trust Fund. The Trustee is not obliged to purchase any Shares on the Stock Exchange unless the prevailing market price of the Shares falls within the range of prices in accordance with Paragraph 5.1(~~BC~~) and that the Trustee has sufficient funds in the Trust to undertake the purchase of such Shares.

(E) ~~(D)~~ The Trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. If, for any reason, the Trustee shall not be able to purchase any or all of the Shares with the maximum amount of funds (where the range of prices at which such Shares are to be purchased has been specified by the Board) so specified in the notice within ten (10) Business Days on which the trading of the Shares has not been suspended on the Stock Exchange after being instructed by the Board to do so, the Trustee shall notify the Board in writing. The Board shall then decide on whether to instruct the Trustee to continue with such purchase and the conditions thereof or to refund to the Company all or any portion of the remaining sum of the Contributed Amount paid to the Trustee pursuant to Paragraph 5.1(~~AB~~) above (the “**Refund Amount**”).

5.2 Award of Awarded Shares to Selected Employees

(A) Subject to the provisions of the Scheme, ~~including but not limited to the restrictions set out in Paragraphs 5.5(B), 7(A) and 7(B),~~ the Board may, from time to time, at its absolute discretion select any Employee (other than any Excluded Employee) for participation in the Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee ~~at no consideration and in such number and on~~ and subject to such terms and conditions as it may in its absolute discretion determine. No consideration shall be payable by a Selected Employee for acceptance of the Award granted under the Scheme. The eligibility of any Employee to be a Selected Employee shall be determined by the Board from time to time on the basis of the Board’s opinion as to his/her contribution and/or future contribution to the development and growth of the Group.

LR 17.03 (2)
LR 17.03 (8)
LR 17.03A (1)

(B) In determining the number of Awarded Shares to be granted to any Selected Employee (excluding any Excluded Employee), the Board shall take into consideration matters including, but without limitation to,

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(a) the present contribution and expected contribution of the relevant Selected

Employee to the profits of the Group;

- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

(C) The Board is entitled to impose any conditions (including a period of continued service within the Group after the grant of the Award and performance targets which must be attained) with respect to the vesting of the Awarded Shares on the Selected Employee and any other restrictions or limitations in relation to the Award, as it deems appropriate in its absolute discretion, and shall inform the Trustee and such Selected Employee the relevant conditions (including vesting conditions), restrictions and/or limitations of the Award and the Awarded Shares. Any performance targets to be imposed on the Selected Employees may, subject to the Board's discretion, comprise a mixture of business and financial milestones and individual pre-determined key performance indicators, including without limitation (i) key financial performance indicators in respect of the relevant organization (such as the Group, business units or production lines) to which the relevant Selected Employee is attached; (ii) comprehensive appraisal of the relevant Selected Employee's performance and contribution to the Group; and/or (iii) other targets to be determined in the sole discretion of the Board which may vary among each Selected Employee. The satisfaction of performance targets shall be assessed and determined by the Board at its sole and absolute discretion based on periodic performance assessments and review of the quantitative data of the Group and/or the Selected Employee (where applicable). Notwithstanding any other provisions of the Scheme, subject to applicable laws and regulations, the Board shall be at liberty to waive any conditions (including vesting conditions), restrictions or limitations referred to in this Paragraph 5.2(C) and Paragraph 5.3(A). LR17.03 (7)

(D) Where any grant of Awards is proposed to be made to any Selected Employee who is an executive Director, chief executive or substantial shareholder of the Company, or any of their respective associates, such grant must be approved by the independent non-executive Directors. In addition, where any grant of Awarded Shares is proposed to be made to any Selected Employee who is an executive director or members of the executive/senior management of any member of the Group, such grant must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee. Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules. LR17.04 (1)

(E) After the Board has decided to make a grant of Awarded Shares to any Selected Employee, the Board shall send a notice in substantially the form set out in

Appendix 1 (the “**Grant Notice**”) to such Selected Employee, setting out the number of Awarded Shares so granted and the conditions (if any) upon which such Awarded Shares were granted. The number of Awarded Shares specified in the Grant Notice shall, subject to acceptance by the relevant Selected Employee in accordance with Paragraph 5.2(F), constitute the definitive number of Awarded Shares being granted to him.

- (F) Upon receipt of the Grant Notice, the Selected Employee shall confirm acceptance of the Awarded Shares being granted to him by signing and returning to the Board the acceptance form attached to the Grant Notice within twenty (20) Business Days after the date of the Grant Notice (the “**Acceptance Period**”). As soon as practicable after the receipt of the acceptance form duly signed by the relevant Employee, the Board shall forward a copy of such Grant Notice and the signed acceptance form to the Trustee.
- (G) If the Employee fails to sign and return the acceptance form attached to the Grant Notice before the expiry of the Acceptance Period, the grant of the Awarded Shares to such Employee shall lapse forthwith and the Awarded Shares shall remain as part of the Trust Fund. Such Employee shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way. In such instance, the Board shall notify the Trustee of the lapse of the grant of such Awarded Shares as soon as practicable after the expiration of the Acceptance Period.

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5.3 Vesting of Awarded Shares

- (A) Subject to the terms and conditions of the Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Employee as specified in the Grant Notice, the respective Awarded Shares held by the Trustee on behalf of the Selected Employee pursuant to the provisions hereof shall vest in such Selected Employee in accordance with the vesting schedule (if any) as set out in the Grant Notice, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Employee as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date in accordance with Paragraph 5.3(B)(iii).

- (B) Subject to Paragraphs 7(A) and 7(I) and without prejudice to the other provisions of the Scheme, the vesting period in respect of any Award granted to a Selected Employee shall not be less than twelve (12) months from the date of acceptance of the Award, provided that the Board shall have the authority to determine a shorter vesting period under the following specific circumstances:

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LR17.03F

- (i) grants of “make-whole” Awards to new Selected Employees to replace share options or share awards such Selected Employees forfeited when leaving their previous employers;
- (ii) grants to Selected Employees whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants of Awards with performance-based vesting conditions provided

pursuant to the Scheme in lieu of time-based vesting criteria;

(iv) grants of Awards that are made in batches during a year for administrative or compliance requirements, in which case the relevant vesting period may be shortened to reflect the time from which the Award would have been granted;

(v) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards vest evenly over a period of twelve (12) months; or

(vi) grants of Awards with a total vesting and holding period of more than twelve (12) months.

(C) ~~(B)~~ Upon the vesting of the Awarded Shares,

(i) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, at least thirty (30) Business Days prior to the Vesting Date, the Board shall send to the relevant Selected Employee (with a copy to the Trustee) a vesting notice in substantially the form set out in Appendix 2 (the “**Vesting Notice**”) together with such prescribed transfer documents which require the Selected Employee to execute to effect the vesting and transfer of the Awarded Shares;

(ii) upon receipt of the Vesting Notice, the Selected Employee (or his legal personal representative or lawful successor as the case may be) is required to return to the Board the reply slip attached to the Vesting Notice to confirm the securities account details, together with the relevant duly signed transfer documents. In the event that the Board does not receive the reply slip and the transfer form from the Selected Employee at least ten (10) Business Days prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Selected Employee shall be automatically forfeited and remain as part of the Trust Fund; and

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(iii) subject to the receipt by the Trustee of (a) the reply slip to the Vesting Notice and transfer documents prescribed by the Trustee and duly signed by the Selected Employee (or his legal personal representative or lawful successor as the case may be) within the period stipulated in the Vesting Notice referred to in Paragraph 5.3(~~BC~~)(ii)_{5.3}; (b) a confirmation from the Company that all vesting conditions having been fulfilled_{5.3}; and (c) certified copies of the identification documents of the Selected Employee (or his legal personal representative or lawful successor as the case may be), the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Employee (or his legal personal representative or lawful successor as the case may be) as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date.

(D) ~~(C) Prior to the Vesting Date, any~~ Any Award made hereunder granted under the Scheme shall be personal to the Selected Employee to whom it is made ~~granted and~~

LR 17.03 (17)
LR 17.03 (17)
Note

shall not be assignable and no assigned or transferred. Subject to obtaining a waiver from the Stock Exchange, the Board may allow a transfer of the Awards to a vehicle (such as a trust or a private company) for the benefit of the Selected Employee and any family members of such Selected Employee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with the relevant requirements of the Listing Rules. Where such waiver is granted, (a) any transfer to a permitted transferee shall be subject to the terms of the Trust Deed and the applicable laws and regulations including but not limited to the Listing Rules (as amended from time to time); (b) any such transferee shall be bound by the terms of the Scheme as if the transferee were the grantee; and (c) the Company shall disclose, by way of an announcement, the beneficiary(ies) of the trust or the ultimate beneficial owner(s) of the transferee vehicle (as the case may be). No Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Awardan Award to which he or she is entitled except in accordance with the provisions of the Scheme.

- (E) ~~(D)~~ The Board may at its discretion, with or without further conditions, grant additional Shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Employee upon the vesting of any Awarded Shares. In such case, the Board shall deliver a Grant Notice to the Selected Employee and the Trustee specifying the number of additional Shares and cash amount to be granted to the Selected Employee. The Trustee shall transfer the specified number of additional Shares and the cash award, together with the Awarded Shares, to the Selected Employee as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date in accordance with Paragraph 5.3(B)(iii).

5.4 Disqualification of Selected Employee

- (A) In the event that prior to or on the Vesting Date, a Selected Employee ceases to be an Employee for whatever reason (other than as provided under Paragraphs 5.4(C) or 5.4(D) below) or is found to be an Excluded Employee or is deemed to cease to be an Employee pursuant to Paragraph 5.4(B), the relevant Award made to such Selected Employee shall, unless otherwise determined by the Board in its absolute discretion, automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Employee shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.
- (B) Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Employee shall include, without limitation, the following:
- (i) where such person has committed any act of fraud or dishonesty or serious

LR 17.03 (12)
LR 17.03 (19)

misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;

- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (iii) where such person has been convicted of any criminal offence;
- (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (v) the company by which the Selected Employee is employed ceases to be a member of the Group (or if the Selected Employee is employed in more than one company within the Group, all such companies cease to be members of the Group); or
- (vi) a Selected Employee is in breach of Paragraph 5.3(~~CD~~) or has done or failed to take any action or execute any document which the Board, in its absolute discretion, determines to be a breach of any provision of the Scheme.

(C) In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, subject to the Board's determination at its discretion whether any vesting condition(s) is/are still required to be satisfied, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

- (D) (i) In the event of the death of a Selected Employee, the Trustee shall hold the vested Awarded Shares (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the legal personal representatives or lawful successors of the Selected Employee as the case may be and subject as aforesaid the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within (a) two years of the death of the Selected Employee (or such longer period as the Trustee and the Board shall agree from time to time) or (b) the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives or lawful successors of the Selected Employee as the case may be; or
- (ii) If the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall remain

part of the Trust Fund.

5.5 Other terms and conditions

(A) For the avoidance of doubt,

- (i) subject to Paragraph 5.3(~~D~~E), a Selected Employee shall not have any interest or rights (including ~~the~~any right to ~~receive dividends~~) in the Awarded Shares prior to the Vesting Datevote at general meetings of the Company, or any dividend, transfer or other rights including those arising on the winding-up of the Company) attached to the Awards; LR 17.03 (10)
- (ii) a Selected Employee shall not enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to the Scheme, unless and until the Shares underlying the Award are actually transferred to such Selected Employee pursuant to the vesting of such Award;
- (iii) ~~(ii)~~ a Selected Employee shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust;
- (iv) ~~(iii)~~ unless otherwise required by applicable law, no instructions shall be given by a Selected Employee (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee;
- (v) ~~(iv)~~ the Trustee shall not exercise the voting rights in respect of any Shares (including ~~unvested~~ Shares) held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom) and shall abstain from voting on matters that require ~~s~~Shareholders' approval under the Listing Rules, unless otherwise required by applicable law to vote in accordance with the beneficial owner's direction and such a direction is given; LR 17.05A
- (vi) ~~(v)~~ subject to Paragraph 5.3(~~D~~E), all cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards (a) the payment of the fees, costs and expenses of the Trust and (ii) the remainder, if any, remain as part of the Trust Fund;
- (vii) ~~(vi)~~ unless otherwise waived by the Board, in the event that the vesting conditions specified in the Grant Notice are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Employee shall have no claims against the Company, the Board, the Trust or the Trustee; and LR 17.03 (12)
- (viii) ~~(vii)~~ in the case of the death of a Selected Employee, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives or lawful successors of the Selected Employee as the case may be is made within the period prescribed in Paragraph 5.4(D), and the legal personal representatives or lawful successors of the Selected Employee as the case may be shall have no

claims against the Company or the Trustee.

(B) Any Shares to be allotted and issued upon the vesting of an Award will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank *pari passu* in all respect with the other existing Shares in issue on the date of allotment and issue of the relevant Shares. LR 17.03 (15)

(C) ~~(B)~~ No Award shall be made by the Board pursuant to Paragraph 5.2(A) ~~and~~, no instructions to acquire any Shares shall be given to the Trustee under the Scheme pursuant to Paragraph 5.1~~(B)~~(C) and no issue of new Shares shall be made to the Trustee pursuant to Paragraph 5.1(A) where issuance of Shares by the Company, dealings in the Shares by directors of the Company or granting of Awards are prohibited under any code or requirement of the Listing Rules and all or any applicable laws and regulations from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision or inside information has come to the Company's knowledge, until (and including) the trading day after such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (ii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the annual results;
- (iii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and interim results for any financial period of the Company or, if shorter, the period from the end of the relevant quarterly or half-year period of the financial period up to the publication date of the results; or and LR 17.05
- (iv) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

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

(D) ~~(C)~~ 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 from time to time.

6 OVERALL SCHEME LIMIT AND MAXIMUM NUMBER OF SHARE GRANTS

- | | | |
|-----|--|-----------------------------|
| (A) | <u>Subject to Paragraph 6(B), the maximum number of Awarded Shares which may be awarded under the Scheme shall not exceed 45,000,000 Shares, representing approximately 3.75% of the Shares in issue (excluding any treasury Shares) as at the Adoption Date.</u> | |
| (B) | <u>The total number of Shares which may be issued in respect of all options and awards granted under the Scheme and any other Share Scheme(s) shall not exceed 10% of the Shares in issue (excluding any treasury Shares) as at the Amendment Date (the “Overall Scheme Limit”).</u> | LR17.03 (3)
LR17.03B (1) |
| (C) | <u>Subject to the other provisions of the Scheme, the Company may seek approval of the Shareholders in general meeting to refresh the Overall Scheme Limit (a) after three years from the Amendment Date or the date of Shareholders’ approval for the last refreshment; or (b) at any time, with the approval of the Shareholders in general meeting and subject to the compliance with the applicable requirements under the Listing Rules.</u> | LR17.03C (1) |
| (D) | <u>The total number of Shares which may be issued in respect of all options and awards granted under all of the Share Schemes under the Overall Scheme Limit as refreshed must not exceed 10% of Shares in issue (excluding any treasury Shares) as at the date of approval of the Overall Scheme Limit as refreshed in accordance with Paragraph 6(C) above from time to time.</u> | LR17.03C (2) |
| (E) | <u>The Company may seek separate approvals from the Shareholders in general meeting for granting Awards beyond the Overall Scheme Limit to Selected Employees specifically identified by the Company, subject to compliance with the applicable requirements under the Listing Rules.</u> | LR17.03C (3) |
| (F) | <u>The maximum number of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 0.5% of the issued share capital (excluding any treasury Shares) of the Company from time to time. In addition, where any grant of Awards to a Selected Employee would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the Scheme or any other Share Scheme(s)) to such Selected Employee pursuant to the Scheme and any other Share Scheme(s) in the twelve (12) month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding any treasury Shares) (the “1% Individual Limit”), such grant of Awards must be approved by the Shareholders at a general meeting of the Company with such Selected Employee and his or her close associates (or his or her associates if the Selected Employee is a connected person of the Company) abstaining from voting, and subject to the compliance with the applicable requirements under the Listing Rules. The number and terms of the Award to be granted to such Selected Employee must be fixed before the approval of the Shareholders.</u> | LR17.03 (4) |
| (G) | <u>Where any grant of Awards to an executive Director or chief executive of the Company, or any of their respective associates would result in the Shares issued</u> | LR17.04 (2)
LR17.04 (4) |

and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the Scheme or any other Share Scheme(s)) to such person pursuant to the Scheme and any other Share Scheme(s) in the twelve (12) month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury Shares), such further grant of Awards must be approved by the Shareholders in general meeting in the manner required (with such Selected Employee, his or her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting), and subject to the compliance with the applicable requirements under the Listing Rules.

- (H) Where any grant of Awards under the Scheme to a substantial shareholder of the Company, or any of his or her associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the Scheme or any other Share Scheme(s)) to such person pursuant to the Scheme and any other Share Scheme(s) in the twelve (12) month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury Shares), such further grant of Awards must be approved by the Shareholders in general meeting in the manner required (with such Selected Employee, his or her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting), and subject to the compliance with the applicable requirements under the Listing Rules. LR17.04 (3)
LR17.04 (4)
- (I) Shares in respect of any Awards which have lapsed in accordance with the terms of the Scheme and any other Share Scheme(s) will not be regarded as utilised for the purpose of calculating the Overall Scheme Limit. LR 17.03B
Note (1)
- (J) Where the Company conducts a share consolidation or subdivision after the Overall Scheme Limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards granted under all of the Share Schemes as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share. LR 17.03B
Note (2)

7 ~~6~~ TAKEOVER, RIGHT ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME

- (A) Notwithstanding any other provision provided herein, if there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Employee and the time at which such Awarded Shares shall vest. In such determination, the Board may not reduce the vesting period for the Awarded Shares to less than 12 months unless any of the circumstances listed under Paragraph 5.3(B) occurs, or a relevant consent or approval has been given by the Stock Exchange to the Company to permit the shortening of the vesting period for such Awarded Shares, or it is otherwise permitted under the Listing Rules. Notwithstanding

Paragraph 5.3(~~BC~~)(ii), subject to the receipt by the Trustee of duly executed prescribed transfer documents within seven (7) Business Days from the deemed Vesting Date, the Trustee shall transfer the Awarded Shares to the Selected Employee in accordance with Paragraph 5.3(~~BC~~)(iii). If the Board determines that the unvested Awarded Shares shall not vest, such Awarded Shares shall lapse with immediate effect. For the purpose of this Paragraph ~~67~~(A), “control” shall have the meaning as specified in the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs from time to time.

- (B) In the event the Company undertakes a subdivision or consolidation of the Shares, such Selected Employee shall be entitled to those Awarded Shares as so subdivided or consolidated and the Board shall as soon as reasonably practicable after such subdivision or consolidation has been effected, notify each such Selected Employee of the number of Awarded Shares that he has become entitled to on vesting after such subdivision or consolidation (as the case may be). All fractional shares arising out of such subdivision or consolidation in respect of the Awarded Shares shall not be transferred to the relevant Selected Employee and shall remain as part of the Trust Fund for the purposes of the Scheme.
- (C) In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it on the market as is appropriate and, subject to Paragraph 5.3(~~DE~~), the net proceeds of sale of such rights shall be held as part of the Trust Fund.
- (D) In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it on the market, subject to Paragraph 5.3(~~DE~~), the net proceeds of sale of such bonus warrants shall be held as part of the Trust Fund.
- (E) In the event that the Company undertakes an issue of bonus Shares, subject to Paragraph 5.3(~~DE~~), the bonus Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- (F) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and, subject to Paragraph 5.3(~~DE~~), scrip Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- (G) In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution and, subject to Paragraph 5.3(~~DE~~), the net sale proceeds thereof shall be deemed as cash income of a Share held as part of the Trust Fund.
- (H) In the event that the Company declares and pays cash dividends in respect of the Shares held upon the trust comprised by the Trust Deed (the “**Cash Dividends**”), the Trustee shall hold such Cash Dividends as part of the Trust Fund. For the avoidance of doubt, a Selected Employee shall have no rights in the Cash Dividends unless such Cash Dividends are granted as cash award out of the Trust Fund in accordance with Paragraph 5.3(~~DE~~) of these Scheme Rules.

- (I) If notice is duly given by the Company to ~~its the s~~Shareholders to convene a shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company ~~(other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company)~~ or an order of winding up of the Company is made, or if a compromise or arrangement between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation or merger with any other company or companies pursuant to any applicable laws prior to the Vesting Date of any Awarded Shares, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Employee and the time at which such Awarded Shares shall vest. In such determination, the Board may not reduce the vesting period for the Awarded Shares to less than 12 months unless any of the circumstances listed under Paragraph 5.3(B) occurs, or a relevant consent or approval has been given by the Stock Exchange to the Company to permit the shortening of the vesting period for such Awarded Shares, or it is otherwise permitted under the Listing Rules. If the Board determines that any Awarded Shares shall vest, it shall promptly notify the Selected Employee and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the Awarded Shares which are to become vested in such Selected Employee to such Selected Employee. If the Board determines that the unvested Awarded Shares shall not vest, such Awarded Shares shall lapse with immediate effect.

7 SCHEME LIMIT

8 REORGANISATION OF CAPITAL STRUCTURE

- (A) In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party) after the Amendment Date, the Board may, at its sole discretion, make equitable adjustments to the number of outstanding Awarded Shares that have been granted.
- (B) Any equitable adjustments required under Paragraph 8(A) must give the Selected Employee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Selected Employee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). In respect of any such equitable adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this Paragraph 8.

LR 17.03 (13)

LR 17.03 (13)
Note

9 CANCELLATION

- (A) — ~~The maximum number of Awarded Shares which may be awarded under the Scheme shall not exceed 45,000,000 Shares, representing approximately 3.75 per cent. of the issued share capital of the Company as at the Adoption Date. Subject to the terms of the Scheme and the requirements under the Listing Rules, the Board may at its sole and absolute discretion cancel any Awards granted, provided that the Company and the Selected Employee(s) mutually agree to cancel any of the Awards granted.~~ LR 17.03 (14)
- (B) — ~~The maximum number of shares which may be awarded to a Selected Employee under the Scheme shall not exceed 0.5 per cent. of the issued share capital of the Company from time to time. Where the Company cancels any Awards granted to a Selected Employee and makes a new grant to the same Selected Employee, such new grant may only be made with available Overall Scheme Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Overall Scheme Limit.~~ LR 17.03 (14)
Note

10 8-DISPUTES

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board whose decision shall be final and binding.

11 9-ALTERATION OF THE SCHEME

- (A) ~~The~~ Subject to the provisions of the Scheme, the Scheme may be amended or varied in any respect by a resolution of the Board at any time and in any respect, provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Employee hereunder the terms of the Scheme and the Awards granted under the Scheme so altered must continue to comply with the applicable requirements under the Listing Rules. LR 17.03 (18)

LR 17.03 (18)
Note 3
- (B) ~~Written notice of any amendment to the Scheme shall be given to all Selected Employees and the Trustee. The approval of the Shareholders by ordinary resolution in general meeting is required for (a) any alteration or amendment to the terms and conditions of the Scheme which are of a material nature, or any alteration or amendment to the provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Employees, including those which relate to (i) the purpose of the 2023 Share Award Scheme; (ii) the persons to or for whom Awards may be granted under the Scheme and the basis for determining their eligibility; (iii) the limits on the number of Shares which may be issued under the 2023 Share Award Scheme; or (iv) the individual limits for grants under the 2023 Share Award Scheme; or (b) any change to the authority of the Board or the Trustee to alter the provisions of the Scheme. The Board shall have the right to determine whether any proposed alteration and/or amendment is material, and such determination shall be conclusive. Notwithstanding the foregoing, the Board is not required to obtain the approval of the Shareholders for any minor changes (i) to benefit the administration of the 2023 Share Award Scheme; (ii) to comply with or take~~ LR 17.03 (18)
Note (1) and
Note (4)

account of the provisions of any proposed or existing legislation or regulation (including the Listing Rules) or any changes thereto; or (iii) to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any Selected Employees or future Selected Employees.

- (C) Any change to the terms of Awards granted to a Selected Employee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be). The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

LR 17.03 (18)
Note (2)

12 ~~10~~ **TERMINATION**

- (A) The Scheme shall terminate on the earlier of:

- (i) the tenth (10) anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board by a resolution of the Board,

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

- (B) Upon termination of the Scheme,

- (i) no further grant of Awarded Shares may be made under the Scheme;
- (ii) all the Awarded Shares of the Selected Employees granted but unvested under the Scheme shall continue to be held by the Trustee and become vested in the Selected Employees according to the conditions of the Awards, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee;
- (iii) subject to Paragraph 102(B)(v) where applicable, upon the expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the Trust Fund shall be sold by the Trustee within twenty eight (28) Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine);
- (iv) subject to Paragraph 102(B)(v) where applicable, upon the expiration of the Trust Period, all net proceeds of sale referred to in Paragraph 102(B)(iii) and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares held by it to the Company nor may the Company

LR 17.03 (16)

otherwise hold any such Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to Paragraph 102(B)(iii));

- (v) upon the expiration of the Trust Period, where a new trustee has been appointed by the Company in accordance with the provisions of the Trust Deed or other trust deed for the purpose of another share award scheme adopted by the Company, the Trustee shall, upon the request by the Company, execute and do all such transfers or other acts or things as may be necessary for transferring all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the Trust Fund to the new or continuing trustee.
- (C) For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

13 ~~11~~ **WITHHOLDING**

- (A) The Company or any Subsidiary shall be entitled to withhold, and any Selected Employee shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Awarded Shares.
- (B) The Board may establish appropriate procedures to provide for any such payment so as to ensure that the 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.
- (C) The Company or any Subsidiary may, by notice to the Selected Employee and subject to any rules as the Board may adopt, require that the Selected Employee pay at the time of the Award 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 Award.

14 ~~12~~ **MISCELLANEOUS**

- (A) The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Employee, and the rights and obligations of any Employee under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- (B) The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Paragraph 124(D), expenses, stamp duty, transaction levies and normal registration fees incurred in the purchase of Shares by the Trustee and the

transfer of Awarded Shares to Selected Employees on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Employee in respect of any sale, purchase, vesting or transfer of Shares.

- (C) In the event that any tax, duty, levy or social security contribution in any jurisdiction is payable by any Selected Employee in connection with the grant of any Awarded Shares or the vesting (or otherwise the transfer) of any Awarded Shares, such Selected Employee shall be responsible for the prompt payment of such tax, duty, levy or social security contribution (as the case may be) and shall indemnify the Company and the Trustee against any loss, damage, liability, costs and expenses arising from or in connection with any default or delay in the payment thereof.
- (D) Any notice or other communication between the Company and any Employee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its head office and principal place of business in Hong Kong or such other address as notified to the Employee from time to time, and in the case of an Employee, his address as notified to the Company from time to time. Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post.
- (E) A Selected Employee shall ensure that the acceptance, vesting and the holding of any Award and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal any other laws to which he is subject. The Board may, as a condition precedent of making an Award, require a Selected Employee to produce such evidence as it may reasonably require for such purpose. The Company, the Board, the Trust and the Trustee shall not be responsible for any failure by any Employee to obtain any consent or approval required for such Employee to participate in the Scheme as a Selected Employee or for any tax, duty, expenses, fees or any other liability to which he may become subject as a result of his participation in the Scheme.
- (F) Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion shall not affect the enforceability of the rules of the Scheme as remain not so deleted.

15 ~~13~~ **GOVERNING LAW**

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

Appendix 1

GRANT NOTICE

[Letterhead of AAC Technologies Holdings Inc.]

PRIVATE AND CONFIDENTIAL

[Date]

[Name and address of Employee]

Dear Sir,

Share Award Scheme adopted on

Grant Notice

We refer to the share award scheme adopted by the Company on (the “**Share Award Scheme**”). Except as otherwise defined, capitalised terms used herein shall have the same meaning as defined in the rules of the Share Award Scheme (the “**Scheme Rules**”).

We are pleased to inform you that the board of directors of the Company (the “**Board**”) decided on [*] to grant you [[*] Awarded Shares/cash award in an amount of [*] (“**Cash Award**”)] under the Share Award Scheme. These Awarded Shares/Cash Award are being granted to you on and subject to the terms and conditions of the Share Award Scheme, including, without limitation, the vesting conditions set out in ~~Paragraphs 5.3(A), 5.3(B) and 5.4 of~~ the Scheme Rules [and the vesting conditions set out below], which provide that the Awarded Shares/Cash Award being granted to you will, subject to your acceptance, become vested in you [in the proportion / in such number of Shares / in such amount] and on the dates as follows:

[insert vesting schedule from scheme rules or as determined by the Board (if any)]

[The grant is also being made subject to the following conditions:

[Insert any Conditions]]

[Insert any other restrictions or limitations in respect of the Award]

The grant of the Awarded Shares/Cash Award to you referred to above will only be effective if you sign and return the attached acceptance form to us within twenty (20) Business Days after the date of this notice. If you fail to do this, the grant of the Awarded Shares/Cash Award to you referred to above will lapse and you will not have any right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Awarded Shares or any right thereto or interest therein in any way.

Yours faithfully
For and on behalf of
For and on behalf of
AAC Technologies Holdings Inc.

Name:
Position:

Copy: The Trustee
BOCI Trustee (Hong Kong) Limited

To: Share Award Committee of
AAC Technologies Holdings Inc.

Copy: The Trustee
BOCI Trustee (Hong Kong) Limited

Acceptance Form

I, _____ (holder of [*insert description of identity document*] numbered [*insert number*]), confirm my acceptance of the Awarded Shares/Cash Award being granted to me by the Board on behalf of the Company. I agree and accept that such Awarded Shares/Cash Award are being granted to me on and subject to the terms and conditions under the Scheme Rules and the Grant Notice and I agree to be bound by those terms and conditions and the Scheme Rules and the Grant Notice.

Date:

Appendix 2

VESTING NOTICE

[Letterhead of AAC Technologies Holdings Inc.]

PRIVATE AND CONFIDENTIAL

[Date]

[Name and address of Selected Employee]

Dear Sirs,

Share Award Scheme adopted on

Vesting Notice

We refer to the share award scheme adopted by the Company on (the “**Share Award Scheme**”). Except as otherwise defined, capitalised terms used herein shall have the same meaning as defined in the rules of the Share Award Scheme (the “**Scheme Rules**”).

In accordance with the vesting conditions set out in [the Grant Notice], [insert number] Awarded Shares (the “**Vesting Shares**”)/cash award in an amount of [*] (the “**Cash Award**”) granted to and accepted by you and currently being held by the Trustee under the Trust will become vested in you on [insert date] (the “**Vesting Date**”), subject to [you remaining an Employee on such date] [Insert any other restrictions or limitations in respect of the Award] [and all of the other conditions set out in the Grant Notice being satisfied].

The Vesting Shares/Cash Award will only vest in you if you complete, sign and return the attached reply slip to us not later than [*] (being ten (10) Business Days before the Vesting Date). If you fail to do this, the Vesting Shares/Cash Award will be forfeited in accordance with the terms of the Scheme Rules and you will not have any right or claim against the Company, any other member of the Group, the Board, the Committee, the Trust or the Trustee or with respect to those Vesting Shares/Cash Award or any right thereto or interest therein in any way.

Yours faithfully

For and on behalf of

AAC Technologies Holdings Inc.

Name:

Position:

Copy: The Trustee
BOCI Trustee (Hong Kong) Limited

To: **AAC Technologies Holdings Inc.**

Copy: The Trustee -
BOCI Trustee (Hong Kong) Limited

Reply Slip

I, _____ (holder of [*insert description of identity document*] numbered [*insert number*]), hereby authorise you to instruct the Trustee to procure the transfer of the Vesting Shares/Cash Award referred to in the above Vesting Notice to me by depositing them into the following securities account/bank account on the Vesting Date:

For Vesting Shares

Name of custodian/broker: _____

CCASS No. of custodian/broker: _____

Contact Person of custodian/broker: _____

Telephone number of custodian/broker: _____

Account Name: _____

(Note: The Account must be in the sole name of the Selected Employee)

Account Number: _____

For Cash Award

Name of designated bank: _____

Account name: _____

(Note: The Account must be in the sole name of the Selected Employee)

Account number: _____

I acknowledge that, I shall be obliged to pay, and the Company or any subsidiary shall be entitled to withhold, the amount of any tax and/or social security contributions attributable to or payable in connection with the Vesting Shares, if any. Regardless of any action taken by the Company, the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Vesting Shares (the “**Tax Obligations**”), is and remains my responsibility. I further acknowledge that the Company makes no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Vesting Shares, including, but not limited to, the subsequent sale of the Vesting Shares and the receipt of any dividends or other distributions.

Signed by the Selected Employee

Selected Employee’s Signature verified by
the Company

Name:

Name:
Authorized Signatory of the Company

** delete as appropriate*