

Dated [22 May] 2023

GALAXY ENTERTAINMENT GROUP LIMITED

(incorporated in Hong Kong with limited liability)

Stock Code: 27

SHARE OPTION SCHEME

(Adopted by an ordinary resolution passed by the shareholders of the Company at the annual general meeting of the Company on [22] May 2023)

CONTENTS

Section	Heading	Page
1.	Purpose of the Scheme and Conditions.....	1
2.	Definitions and Interpretation.....	1
3.	Administration	6
4.	Grant of Options	8
5.	Subscription Price.....	9
6.	Transferability of Options.....	10
7.	Exercise of Options and Rights Attaching to Allotted Shares	10
8.	Cessation of Service or Employment and Other Events	11
9.	Lapse of Option.....	14
10.	Cancellation of Options	15
11.	Limits on numbers of Shares available under the Scheme	15
12.	Reorganisation of Capital Structure	17
13.	Disputes.....	18
14.	Alteration of the Scheme / Options.....	18
15.	Termination	18
16.	Miscellaneous.....	19

SCHEDULE

PERFORMANCE TARGETS, CLAWBACK AND SHORTENED VESTING

PART 1 PERFORMANCE TARGETS

PART 2 CLAWBACK EVENTS

PART 3 SHORTENED VESTING

GALAXY ENTERTAINMENT GROUP LIMITED

SHARE OPTION SCHEME

1. Purpose of the Scheme and Conditions

1.1 The purpose of the Scheme is:

- (a) to attract and retain the best quality personnel for the development of the Company's businesses;
- (b) to provide additional incentives to Eligible Participants; and
- (c) to promote the long term financial success of the Company by aligning the interests of Option Holders to those of Shareholders.

1.2 The Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal with Shares to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Scheme; and
- (b) the passing in general meeting of the Company of the resolution necessary to approve and adopt the Scheme.

1.3 A certificate of a director of the Company that the conditions set out in paragraph 1.2 have been satisfied and the Scheme has become unconditional and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date, and the exact Adoption Date, shall be conclusive evidence of the matters certified.

2. Definitions and Interpretation

2.1 Definitions

In the Scheme:-

"Adoption Date"	means the date on which the Scheme becomes unconditional;
"Allotment Date"	means the date on which Shares are allotted to an Option Holder pursuant to the exercise of an Option granted hereunder;
"associate"	has the meaning ascribed thereto in the Listing Rules;
"Auditor"	at any time means the auditor of the Company at that time;
"Board"	at any time means the board of directors of the Company at that time or a duly authorised committee thereof or delegate

of such committee as contemplated in paragraph 3 and references to the Board, and determinations and decisions of the Board, include the Board and such delegates or subdelegates and determinations and decisions of any of them;

"Business Day"	means any day on which the Stock Exchange is open for the business of dealing in securities;
"Cause"	in relation to an Eligible Participant means his being guilty of serious misconduct, or having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, or having been convicted of any criminal offence imputing dishonesty;
"Clawback Event"	means an event of the type listed in Part 2 of the Schedule hereto;
"Commencement Date"	in respect of any particular Option, means the date on which that Option is deemed to have been granted under the Scheme;
"Company"	means Galaxy Entertainment Group Limited;
"control"	means control for the purposes of the Takeovers Code;
"Eligible Participant"	means any person belonging to the class of Employee Participants, Related Entity Participants or Service Providers;
"Employee"	means any person employed (on a full-time or part-time basis) by the Company or by any of its subsidiaries;
"Employee Participant"	means any Employee or chief executive officer, executive or non-executive director (including INEDs) of the Company or any subsidiary of it and any person who has contracted to be employed (on a full-time or part-time basis) by the Company or any of its subsidiaries but whose employment has not commenced and any person to whom the Board wishes to offer Options as an inducement to become an executive or director of the Company or any of its subsidiaries;
"Group"	at any time means the Company and its subsidiaries at that time;
"Guidance"	has the meaning ascribed thereto in paragraph 12.1;
"holding company"	has the meaning ascribed thereto in the Listing Rules;

"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"immediate family members"	has the meaning ascribed thereto in the Listing Rules;
"Incentive Grant"	means a grant of new Shares or rights to acquire new Shares under any Share Incentive Scheme, whether by way of option or award;
"INED"	in respect of a company at any time means an independent non-executive director of the relevant company at that time;
"Initial Mandate Limit"	has the meaning ascribed thereto in paragraph 11.1;
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended or replaced from time to time;
"Mandate Limit"	means the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be);
"Offer"	means an offer to grant an Option;
"Option"	means an option to subscribe for Shares granted pursuant to the Scheme;
"Option Agreement"	in respect of an Eligible Participant means the contract that arises on acceptance by that person of an Offer;
"Option Holder"	means any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme and includes (where the context so permits) the Personal Representatives of such Eligible Participant and the related trust or company of that Eligible Participant to which the relevant Option was granted or transferred;
"Option Period"	means, in respect of any particular Option, such period during which the Option may be exercised in accordance with the Scheme as the Board may specify in the relevant Option Agreement, save that such period shall not expire later than 10 years from the Commencement Date;
"Performance Target"	has the meaning ascribed thereto in Part 1 of the Schedule hereto;
"Personal Representatives"	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of an Option Holder (being an individual), is or are entitled to exercise the Option granted to such Option Holder (to the extent not already exercised);

"Refreshed Mandate Limit"	has the meaning ascribed thereto in paragraph 11.3;
"Related Entity Participant"	means any director, chief executive of or person employed (on a full-time or part-time basis) by any of the holding companies, fellow subsidiaries or associated companies of the Company;
"related trust or company"	means, in relation to an Eligible Participant who is an individual, trusts solely for the benefit of the Eligible Participant or his immediate family members, and companies controlled by the Eligible Participant or his immediate family members;
"Remuneration Committee"	at any time means the remuneration committee of the Company at that time;
"Scheme"	means this Share Option Scheme in its present or any amended form;
"Senior Manager"	means a senior manager disclosed as such in the Company's annual report pursuant to paragraph 12 of Appendix 16 to the Listing Rules;
"Service Provider"	<p>means any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to any consultant, independent contractor or adviser:-</p> <p>(i) where the continuity and frequency of their services are akin to those of employees; or</p> <p>(ii) after stepping down from an employment or director position with the Group,</p> <p>excluding (for the avoidance of doubt):-</p> <p>(i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions,</p> <p>(ii) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity;</p>
"Service Provider Sublimit"	has the meaning ascribed thereto in paragraph 11.2;

"Share Incentive Scheme"	means any scheme adopted or to be adopted by the Company involving the award or issue of new Shares by the Company pursuant to Chapter 17 of the Listing Rules including the Scheme;
"Shareholders"	means holders of the Shares;
"Shares"	means voting shares in the Company;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subscription Price"	means the price per Share at which an Option Holder may subscribe for Shares on the exercise of his Option pursuant to paragraph 5;
"subsidiary"	the meaning ascribed thereto in the Listing Rules;
"substantial shareholder"	the meaning ascribed thereto in the Listing Rules;
"Takeovers Code"	means the Code on Takeovers and Mergers published by the Securities and Futures Commission (as amended or replaced from time to time);
"Vesting Date"	in relation to any Option, means the earliest date on which that Option (or a tranche thereof) may be exercised pursuant to the terms of such Option; and
"Vesting Period"	in relation to any Option, means the period from the Commencement Date and ending on the Vesting Date (both dates inclusive).

2.2 Construction of References

In the Scheme:

- (a) any reference to a "paragraph" is a reference to a paragraph of the Scheme; and
- (b) any reference to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency.

2.3 Interpretation

In the Scheme:

- (a) words importing the plural include the singular and vice versa; and
- (b) words importing a gender include every gender.

2.4 Headings and Contents

The headings and list of contents in the Scheme do not affect its interpretation.

3. Administration

3.1 Authority of the Board

The Scheme shall be subject to the administration of the Board (with full power to delegate in whole or in part its powers, rights and duties hereunder or in connection herewith and to authorise full or partial sub-delegation by any delegate). The decisions made by the Board shall (save as otherwise provided herein) be final and binding. The Board's powers include but are not limited to the authority, in its discretion:-

- (a) to select Eligible Participants to whom Options may be offered hereunder;
- (b) to determine, subject to the requirements of the Listing Rules and the law, the time of the offer of Options;
- (c) to determine the number of Shares comprised in each Option the subject of an Offer;
- (d) to approve forms of Option Agreements either generally or on a case-by-case basis;
- (e) to determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option based in each case on such factors as the Board, in its sole discretion, shall determine. Such terms and conditions may include, but are not limited to:
 - (i) the Subscription Price;
 - (ii) the period within which the Shares must be taken up under the Option, which must not be more than 10 years from the Commencement Date;
 - (iii) the minimum period, if any, for which an Option must be held before it can vest which shall not be less than 12 months unless the relevant Eligible Participant is an Employee Participant and one of the factors in Part 3 of the Schedule hereto applies;
 - (iv) Performance Targets, if any, that must be achieved before the Option can be exercised; and/or
 - (v) a provision that the relevant Option may be cancelled in whole or in part, or the Vesting Date therefor extended, on the occurrence of a specified Clawback Event.
- (f) to construe and interpret the terms of the Scheme and Options granted pursuant to the Scheme;
- (g) to prescribe, amend and rescind rules and regulations relating to the Scheme, including rules and regulations relating to schemes established for the purpose of

qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular, or any particular type of, Eligible Participant;

- (h) subject to the requirements of the Listing Rules, to agree with the relevant Option Holder variations of the terms and conditions of any Option Agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the Scheme).

3.2 Eligible Participant

The persons to whom Offers may be made are:-

- (a) any Employee Participants;
- (b) any Related Entity Participant; and
- (c) any Service Provider who provides advisory services, consultancy services and/or other professional services to the Group on areas relating to the Group's principal business activities in operation in casino games of chance or games of other forms, provision of hospitality and related services in Macau, and the manufacture, sale and distribution of construction materials in Hong Kong, Macau and Mainland China and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific industry advice on the Group's business and financial or commercial strategy.

3.3 For each category of Service Providers, the factors to be taken into account by the Board may include but are not limited to : the individual performance of the relevant Service Provider, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

3.4 For the avoidance of doubt, the grant of options for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Board otherwise determines, be construed as a grant of Options under the Scheme.

3.5 Without prejudice to any other provision hereof, the making of an Offer to any director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be subject to approval by the INEDs of the Company (excluding any INED who or whose associate is the proposed Option Holder). For the avoidance of doubt,

this requirement does not apply where the Eligible Participant is only a proposed director or proposed chief executive.

4. Grant of Options

4.1 Options to be Offered / Accepted Within 10 Years

- (a) On and subject to the terms of the Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the Adoption Date, subject to the requirements of the Listing Rules and the law, to make an Offer to any Eligible Participant as the Board may in its absolute discretion select.
- (b) No Offer shall be capable of or open for acceptance after the expiry of 10 years from the Adoption Date and thereafter no Offers may be made.

4.2 Offer

An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine either generally or on a case-by-case basis, specifying the number of Shares, the Subscription Price and the Option Period in respect of which the Offer is made and other terms and conditions (if any) determined by the Board, requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

4.3 Timing of Offer

An Offer may only be made on a Business Day and may not be made at any time when dealings by directors of the Company are prohibited under the Takeovers Code or the Listing Rules or any applicable laws.

4.4 Further Terms and Conditions

Subject to paragraph 5, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for certain periods during the Option Period and may at its discretion impose additional terms and conditions as contemplated hereby.

4.5 Acceptance

- (a) An Offer shall remain open for acceptance by the Eligible Participant concerned and, if the named Eligible Participant so requests and the Board agrees, by a related trust or company of the named Eligible Participant, for a period of 28 days from and excluding the date of the Offer (or such longer period as the Board may from time to time determine or modify and specify in writing either generally or on a case-by-case basis) and when the Offer is accepted, the terms of the letter referred to in paragraph 4.2 shall form the Option Agreement. Where it is proposed by an Eligible Participant that the Offer be accepted instead by a related trust or company of the named Eligible Participant, such acceptance by a related trust or company shall be void unless the Board agrees in writing to such acceptance.

- (b) An Offer cannot be accepted by a person who has ceased to be an Eligible Participant after the Offer has been made. Subject to the provisions of the Scheme, each Option Holder shall hold his Option in accordance with the terms of his Option Agreement.
- (c) An Offer shall have been accepted when the duplicate letter comprising acceptance of the Offer duly signed by the relevant Eligible Participant is received by the Company. At the same time the Option Holder shall by way of consideration deliver a cheque for HK\$1.00 in favour of the Company, or cash or electronic remittance of HK\$1.00 (which shall in no circumstances be refundable) and if such cheque or cash or electronic remittance is not sent at the same time acceptance of an Offer shall create a promise by the relevant Eligible Participant to pay to the Company HK\$1.00 on demand.

4.6 Acceptance of Fewer Shares

An Offer may be accepted in respect of less than the number of Shares which are offered provided that it is accepted in respect of a whole number of Shares (which is clearly stated in the acceptance of the Offer).

4.7 Commencement Date

- (a) Subject as otherwise specified herein, upon an Offer being accepted by the relevant Eligible Participant in whole or in part, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of the Offer and such date of the Offer shall be taken as the Commencement Date for such grant.
- (b) To the extent that the Offer is not accepted within 28 days (or such longer period as the Board may determine or modify and specify in writing) in the manner indicated in paragraph 4.5, it shall be deemed to have been irrevocably declined.
- (c) In respect of an Option the subject of paragraph 11.4, 11.5 or 11.6, the date the Board determines to propose such Option shall be deemed to be the Commencement Date.

5. **Subscription Price**

The Subscription Price in respect of any particular Option shall be such price (or prices if the Board so determines, as contemplated by paragraph 4.4) as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the Offer) but shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Commencement Date; or
- (b) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Commencement Date.

6. Transferability of Options

6.1 No transfer

An Option shall be personal to the Option Holder and shall not be assignable or transferable save as stated below and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, or enter into any agreement so to do. Notwithstanding the foregoing, where the Option Holder is a related trust or company of the Eligible Participant, the Option shall be deemed to have been transferred if the Option Holder ceases to be a related trust or company of the Eligible Participant other than by reason of death.

6.2 Exception to no transfer

Where (i) the Board gives consent in writing (which consent may be given or withheld by the Board at its absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by an Option Holder may at the request of the Option Holder be transferred to related trust or company of the Option Holder for the benefit of the Option Holder and any family members of such Option Holder (for purposes of estate planning or tax planning or such other reasons as the directors of the Company and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Scheme and comply with the requirements of Chapter 17 of the Listing Rules. In connection with each application for such consent, the Option Holder shall (a) provide information on the beneficiaries or discretionary objects of the trust or the ultimate beneficial owners of the transferee vehicle, as well as such other information as may be required by the directors of the Company or the Stock Exchange, and (b) consent to the disclosure of such information in the announcement, circular and/or report to be published by the Company. All provisions of the Scheme shall apply, mutatis mutandis, to the transferee.

6.3 Consequences of breach

Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to the relevant Option Holder. A determination of the Board to the effect that the Option Holder or the relevant Eligible Participant has or has not breached any of the foregoing shall be conclusive and the Option in question or the relevant part thereof shall be cancelled on a date determined by the Board.

7. Exercise of Options and Rights Attaching to Allotted Shares

7.1 Procedure for exercise

An Option shall be exercisable in whole or in part by the Option Holder after the Vesting Date, to the extent it is then exercisable, by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised.

7.2 Exercise to be accompanied by remittance

Each such notice must be accompanied by a remittance in a form acceptable to the

Company for the full amount of the Subscription Price for the Shares in respect of which the notice is given.

7.3 Deadline for allotment of shares

Within 40 days after receipt of the notice and related remittance and, where appropriate, receipt of the Auditor's certificate pursuant to paragraph 11.7 or 12.1, the Company shall allot the relevant Shares to the Option Holder (or, in the event of an exercise of Option by a Personal Representative, to the estate of the Option Holder) credited as fully paid and issue to the Option Holder (or his estate, as aforesaid) a share certificate or share certificates (as the case may be) in respect of the Shares so allotted.

7.4 Rights attaching to allotted Shares

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue on the Allotment Date and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution the record date for which is before the Allotment Date.

7.5 Custodian Arrangements

The Board may in its discretion require custodian arrangements determined by it to be put in place in relation to any Offer or allotment of Shares to any Option Holder if the Board considers that necessary for the purpose of preventing possible breach of the prospectus requirements of the Companies (Winding-Up and Miscellaneous Proceedings) Ordinance or any other relevant laws in any relevant jurisdictions.

8. Cessation of Service or Employment and Other Events

8.1 Death

If an Option Holder that is an Eligible Participant other than an Employee Participant (or in the case of an Option Holder which is a related trust or company of such an Eligible Participant, the relevant Eligible Participant) dies and is not vested as to his entire Options, then the Options in the unvested portion shall immediately lapse.

If an Option Holder that is an Employee Participant (or in the case of an Option Holder which is a related trust or company of an Employee Participant, the relevant Employee Participant) dies, the Option may be exercised (notwithstanding that the Option Period may not yet have commenced) within such period of time as is specified for the purpose of this paragraph in the Option Agreement or otherwise allowed by the Board (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for 12 months (or such longer period as the Board shall decide as mentioned below, either generally or on a case-by-case basis) following the relevant Employee Participant's death. The Option may be exercised within that period by the Personal Representatives of the Employee Participant or (in the case of an Option Holder which

is a related trust or company of an Employee Participant, the relevant Employee Participant) the Option Holder.

If the Option is not so exercised within the time specified above, the Option shall lapse.

8.2 Retirement, physical or mental disability of an Employee Participant or termination resulting from employer ceasing to be a subsidiary

- (a) In the case of an Eligible Participant other than an Employee Participant, if the Option Holder (or in the case of an Option Holder which is a related trust or company of such an Eligible Participant, the relevant Eligible Participant) becomes physically or mentally disabled or retires or ceases to be an Employee as a result of his employer ceasing to be a subsidiary of the Company and is not vested as to his entire Options, then the Options in the unvested portion shall immediately lapse.
- (b) Without prejudice and in addition to the provisions of Part 3 of the Schedule hereto an Option Agreement in the case of an Employee Participant may contain terms as to exercise and/or termination of any Option if the Option Holder (or in the case of an Option Holder which is a related trust or company of such an Employee Participant, the relevant Employee Participant) becomes physically or mentally disabled or retires or ceases to be an Employee as a result of his employer ceasing to be a subsidiary of the Company.
- (c) In the absence of provisions otherwise in the Option Agreement, the Option (if vested) shall remain exercisable for 2 months (or such longer period as the Board shall decide) following an Employee Participant's retirement, physical or mental disability or ceasing to be an Employee as a result of his employer ceasing to be a subsidiary and may be exercised within that period by the Personal Representatives of the Option Holder or where applicable a related trust or company of that Option Holder. If the Option is not then fully vested, the Option Holder shall be entitled nevertheless to exercise within 2 months after the day the Employee Participant retires, suffers the physical or mental disability (as determined by the Board) or ceases to be an Employee as a result of his employer ceasing to be a subsidiary (or such other day as the Board shall decide but in no event later than the expiration of the vesting schedule of such Option set forth in the Option Agreement) such unvested portion of the Option as the Board may determine (either generally or on a case by case basis) taking into account the number of days elapsed since the date of grant thereof and such other factors if any as the Board shall consider appropriate to take into account in the relevant circumstances.
- (d) If the Option or the relevant part thereof is not so exercised within the time specified above, the Option shall lapse.
- (e) An Employee shall be taken to have retired on his 60th birthday unless otherwise agreed in writing between that Employee and the Board.

8.3 Termination for Cause

- (a) If an Option Holder (or in the case of an Option Holder which is a related trust

or company of an Eligible Participant, the relevant Eligible Participant) ceases to be an Eligible Participant for Cause the Option shall immediately lapse.

- (b) A determination of the Board to the effect that the Option Holder or relevant Eligible Participant has or has not ceased to be an Eligible Participant for Cause shall be conclusive.

8.4 Termination other than for death, retirement/disability/termination resulting from employer ceasing to be a subsidiary or Cause

If an Option Holder (or in the case of an Option Holder which is a related trust or company of an Eligible Participant, the relevant Eligible Participant) ceases to be an Eligible Participant other than pursuant to paragraph 8.1, 8.2 or 8.3, then, unless otherwise provided for the purpose of this paragraph in the Option Agreement, an Option Holder may exercise his Option (if and to the extent vested at the date of cessation) within 2 months of such cessation (or such longer period as the Board may decide, but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

If the Option is not so exercised within the time specified above, the Option shall lapse.

8.5 General offer

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person acting in concert for the purposes of the Takeovers Code with the offeror), and the offer is or becomes or is declared unconditional in all respects, each Option Holder that is an Employee Participant (or his Personal Representatives) or a related trust or company of an Employee Participant, but no other Eligible Participant shall be entitled to exercise his Option (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, at any time within 1 month (or such longer period as the Board shall decide) after the date on which the offer is made (if unconditional) or becomes or is declared unconditional.

8.6 Compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with or its takeover by any other company, the Company shall give notice to the Option Holders on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each Option Holder that is an Employee Participant (or his Personal Representatives) or a related trust or company of an Employee Participant, but no other Eligible Participant may until the expiry of the period commencing with such date and ending with the earlier of the date 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his Options (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the

Option Holders to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option Holders in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

8.7 Voluntary winding-up of the Company

- (a) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice of general meeting give notice thereof to all Option Holders (together with a notice of the existence of the provisions of this Clause). Each Option Holder that is an Employee Participant (or his or her Personal Representatives) or a related trust or company of an Employee Participant, but no other Eligible Participant shall thereafter be entitled to exercise all or any of his Options (to the extent not already exercised) regardless of the Vesting Date thereof unless otherwise provided in the Option Agreement or in a notice given pursuant to sub-paragraph (b), at any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving notice of exercise in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice of exercise is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day last preceding the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holder credited as fully paid.
- (b) Notwithstanding the foregoing the Board shall have an absolute discretion to decide either generally or on a case-by-case basis whether and when any or all Options of an Employee Participants (or of an Option Holder which is a related trust or company of an Employee Participant) unvested at the time of passing of the relevant resolution shall vest regardless of the provisions of sub-paragraph (a) and to amend the Vesting Date thereof and if it does so it shall notify the relevant Option Holders and the operation of sub-paragraph (a) in respect of the relevant Options shall be modified accordingly.

9. Lapse of Option

Subject to the discretion of the Board to amend the Option Period as referred to herein and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in whole or in part in any Option Agreement, an Option shall lapse automatically (to the extent not already exercised and subject as mentioned in (c) below) on the earliest of:-

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 8; and
- (c) the date on which the Board by reason of a breach of paragraph 6 or the occurrence of a Clawback Event specified in the Option Agreement, or the failure to meet a Performance Target to which the Option is subject, determines that the

Option is cancelled (in whole or in part).

10. Cancellation of Options

Options granted but not exercised or lapsed in accordance with the terms of the Scheme may be cancelled by the Company with the approval of the Option Holder.

Where the Company cancels Options and offers to issue new ones to the same Eligible Participant, the issue of such new Options may only be made under the Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph 11.

11. Limits on numbers of Shares available under the Scheme

11.1 Mandate Limit

Prior to the approval of a Refreshed Mandate Limit, the total number of Shares which may be issued upon exercise of all Options and other Incentive Grants granted or which may be granted under the Scheme and any other Share Incentive Schemes must not in aggregate exceed 10% of the aggregate number of Shares in issue as at the Adoption Date being [436,907,530] Shares (the "Initial Mandate Limit"). Options and other Incentive Grants lapsed in accordance with the terms of the Scheme or any other Share Incentive Schemes will not be counted for the purpose of calculating the 10% limit.

11.2 Service Provider Sublimit

The total number of Shares that may be issued in respect of all Options and other Incentive Grants granted or which may be granted to Service Providers under the Scheme and any other Share Incentive Schemes ("Service Provider Sublimit") shall be subject to a sublimit and not exceed [43,690,753] Shares, being 10% of the number of Shares in the Mandate Limit.

11.3 Refreshment

The Company may seek approval of Shareholders by ordinary resolution in general meeting to a refreshed Mandate Limit and, where appropriate, the Service Provider Sublimit (the "Refreshed Mandate Limit"), provided that:

- (i) the total number of Shares which may be allotted and issued upon exercise of all Options and other Incentive Grants granted or which may be granted under the Scheme and any other Share Incentive Scheme must not exceed 10 % of the Shares in issue as at the date of approval of the Refreshed Mandate Limit, and for the purpose of calculating the refreshed Mandate Limit (and the Service Provider Sublimit), Options and other Incentive Grants lapsed in accordance with the terms of the Scheme and any other Share Incentive Scheme will not be regarded as utilised;
- (ii) no proposal for a Refreshed Mandate Limit shall be made except in compliance with Rule 17.03C of the Listing Rules within three years from the date of Shareholders' approval of the then-latest refreshment (or, as the case may be, Adoption Date).

11.4 Grant to specifically-identified Eligible Participants

The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Mandate Limit provided the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company. The date the Board determines to propose such further grant shall be taken as the Commencement Date for such grants.

11.5 Limit for each Eligible Participant

The total number of Shares issued and to be issued upon exercise of Options and other Incentive Grants (whether exercised or outstanding) in any 12-month period granted to each Eligible Participant must not exceed 1% of the aggregate number of Shares in issue. Any further grant of Options to an Eligible Participant which would result in the Shares issued and to be issued in respect of all Options and other Incentive Grants granted to such person under the Scheme and any other Share Incentive Scheme (excluding any Options and other Incentive Grants lapsed in accordance with the terms of the relevant Share Incentive Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue must be separately approved by Shareholders in the manner set out in Rule 17.03D of the Listing Rules. The number and terms of Options to be granted must be fixed before Shareholders' approval. The date the Board determines to propose such further grant shall be taken as the Commencement Date for such grant.

11.6 Grant to substantial shareholders and INEDs

- (a) Insofar and for so long as the Listing Rules so require, unless specifically approved by the Shareholders in general meeting, no Option may be granted to any substantial shareholder or INED of the Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all Options and other Incentive Grants already granted or to be granted (excluding Options and other Incentive Grants that have lapsed) to such person under the Scheme and any Share Incentive Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue.
- (b) The approval at such general meeting shall be voted on by the Shareholders of the Company in the manner set out in Rule 17.04(4) of the Listing Rules.
- (c) The date the Board determines to propose such further grant shall be taken as the Commencement Date for such grant.

11.7 Adjustment to maximum number

The maximum number of Shares referred to in this paragraph 11 will be adjusted, in such manner as the Auditor shall certify to be appropriate in accordance with paragraph 12, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, conversion of Shares into a larger or smaller number or reduction of capital.

12. Reorganisation of Capital Structure

12.1 Subject to paragraph 12.4, in the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the maximum number of Shares subject to the Scheme,

as the Auditor shall certify in writing to the Board to be in its opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that:

- (i) any such alterations shall be made on the basis that the aggregate Subscription Price payable by an Option Holder on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event;
- (ii) no such alterations shall be made the effect of which would be to increase the proportion of the issued Shares for which any Option Holder is entitled to subscribe pursuant to the Options held by him; and
- (iii) due consideration shall be given to the Listing Rules and any guidance issued by the Stock Exchange on such alterations including but not limited to "Frequently Asked Questions" published by the Stock Exchange from time to time (together "Guidance").

For the avoidance of doubt, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

12.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 12.1, the Company shall, in accordance with paragraph 16.5 inform each Option Holder of such alteration and inform the Option Holder of the adjustment (if any) to be made in accordance with the certificate of the Auditor obtained by the Company for such purpose.

12.3 In giving any certificate under paragraph 12.1 the Auditor shall be deemed to be acting as experts and not as arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and each Option Holder.

12.4 (a) Any alterations as referred to in paragraph 12.1 shall give an Option Holder the same proportion of the equity capital of the Company as that to which that Option Holder was previously entitled save as provided in any Guidance; and

- (b) any alterations as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures referred to in the Guidance and the acceptable adjustments set

out in the Guidance and any future guidance/ interpretation of the Listing Rules issued by the Stock Exchange from time to time unless such alteration receives the prior approval of the Shareholders in a general meeting.

13. Disputes

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise whether or not eiusdem generis with the foregoing) shall be referred to the decision of the Auditor who shall act as an expert and not as an arbitrator and whose decision shall be final and binding.

14. Alteration of the Scheme / Options

14.1 Without prejudice to paragraph 14.2 the Scheme may be altered in any respect by the Board except that the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Option Holders or prospective Option Holders except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Option Holders as would be required of the Shareholders of the Company under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

14.2 (a) Any alterations to the terms and conditions of the Scheme which are of a material nature or any change to the terms of Options already granted must be approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be) if the initial grant of the relevant Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be).

(b) The amended terms of the Scheme must comply with the relevant requirements of Chapter 17 of the Listing Rules.

(c) Any change to the authority of the Board in relation to any alteration to the terms of the Scheme shall be subject to approval by the Shareholders of the Company.

14.3 Subject to the Listing Rules and the terms of the Scheme the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an Option Agreement on compassionate or any other grounds.

15. Termination

The Scheme shall terminate on the day last preceding the tenth anniversary of the Adoption Date. Notwithstanding the foregoing, the Company by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered after the Scheme is terminated. All Options granted prior to termination and not then exercised shall remain valid and the provisions of the Scheme shall remain in force to the extent necessary to give effect to the vesting and exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

16. Miscellaneous

16.1 Costs of establishing Scheme

The Company shall bear the costs of establishing and administering the Scheme, including any costs of the Auditor in relation to the preparation of any certificate or providing any other service in relation to the Scheme.

16.2 Scheme not part of contract for services

- (a) Neither the Scheme nor any Option Agreement shall form part of any contract of employment or for services between the Company or any of its subsidiaries and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment or provision of service shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or service provider relationship for any reason.
- (b) By accepting the Offer of an Option an Option Holder shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for or in respect of any loss of any rights or benefits under any Option then held by him or otherwise in connection with the Scheme and other Share Incentive Scheme of the Company.
- (c) The Scheme shall not confer on any person any legal or equitable rights (other than those under the relevant Option Agreement) against the Company or any of its subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or any of its subsidiaries.

16.3 Terms of the Scheme to be notified to all Eligible Participants

The Company will provide a summary of the terms of the Scheme to all Eligible Participants on joining the Scheme (and a copy of this document to any Eligible Participant who requests such a copy). The Company will provide to all Eligible Participants all details relating to changes in the terms of the Scheme during the life of the Scheme immediately upon such changes taking effect.

16.4 Copies of notices and other documents to holders of Shares

Option Holders can find on the website of the Company copies of all notices and other documents sent by the Company to holders of Shares and are deemed to have notice of all contents thereof forthwith on their being posted on that website.

16.5 Method of serving notice

Any notice or other communication between the Company and an Option Holder may in the case of the Company by sending the same by prepaid post or by personal delivery to, its registered office from time to time (currently at 22nd Floor, Wing On Centre, 111

Connaught Road, Central, Hong Kong) or as notified to the Option Holder from time to time and, in the case of the Option Holder, by sending the same by prepaid post or by personal delivery or by e mail to his address in Hong Kong or his e mail address as notified to the Company from time to time. If the Option Holder (or in the case of an Option Holder which is a related trust or company of an Eligible Participant, the relevant Eligible Participant) is an Employee, the Company may also give such notice or other communication to the Option Holder by delivering the same to the place of work (in or outside Hong Kong) of the Employee from time to time or, if his place of work is not at an office of the Company, to an office of the Company in or outside Hong Kong nearest to his place of work.

Any notice or other communication served by post:

- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
- (b) by the Option Holder shall not be deemed to have been received until the same shall have been received by the Company.

and any notice or other communication served on the Option Holder by email shall be deemed to have been received two hours after despatch.

Where any notice or other communication is delivered to an office of the Company in or outside Hong Kong nearest to the place of work of an Option Holder (or in the case of an Option Holder which is a related trust or company of an Eligible Participant, the relevant Eligible Participant) who is an Employee, the Company shall notify him by telephone or by any other usual means of communication between the Company and an Employee that such notice or other communication has been so delivered and the same shall be deemed to have been served by the Company.

16.6 Regulatory consent

An Option Holder shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. By accepting an offer of the grant of an Option or exercising his Option, the Option Holder thereof is deemed to have represented to the Company that he has obtained all such consents. The Company shall not be responsible for any failure by an Option Holder to obtain any such consent or for any tax or other liability to which an Option Holder may become subject as a result of his participation in the Scheme or the exercise of any Option.

16.7 Governing law

The Scheme and all Options and Option Agreements shall be governed by and construed in accordance with Hong Kong law.

SCHEDULE

PERFORMANCE TARGETS, CLAWBACK AND SHORTENED VESTING

PART 1

PERFORMANCE TARGETS

Subject to the other terms and conditions of the Scheme:-

- (i) in respect of any Employee Participant who is a director of the Company or a Senior Manager, the Remuneration Committee may; or
- (ii) in respect of any other Eligible Participants (including other Employee Participants who are not directors of the Company or Senior Managers), the Board may;

establish Performance Targets subject to which the Options to be granted to the relevant Eligible Participant may be exercised either in whole or in part, and such Performance Targets (if any) shall be stated in the Offer. The Board may after the grant of any Option which is subject to Performance Targets make adjustments to those Performance Targets during an Option Period which the Board considers fair and reasonable if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original Performance Targets.

"Performance Target" means performance measures, and may be financial or otherwise including but not limited to completion of specified projects or any other way of assessing performance (whether or not *eiusdem generis* with any of the foregoing related to the individual Eligible Participant or the Group as a whole or to the Company, subsidiary, division, department, region, function or business unit of the Group or the relevant Related Entity Participant or the relevant Service Provider, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Board (or, in the case only of proposed grants to a director of the Company or a Senior Manager, the Remuneration Committee) in their sole discretion.

PART 2

CLAWBACK EVENTS

In respect of any Option, if any of the following events ("Clawback Event") shall occur during an Option Period and that event is stated in the relevant Option Agreement to provide a right of clawback:

- (i) the Option Holder (and/or in the case of an Option Holder which is a related trust or company of an Eligible Participant, the relevant Eligible Participant) being guilty of fraud or persistent or serious misconduct; or
- (ii) if an Offer or the exercise of any Option is linked to any Performance Targets and the Board are of the opinion that there are circumstances that show or lead to any of the prescribed Performance Targets or compliance with them were or will be assessed or calculated in a materially inaccurate manner;

- (iii) any other event implicitly or explicitly characterised in the Option Agreement as a Clawback Event;

the Board may (but is not obliged to) by notice in writing to the Option Holder concerned (a) cancel such number of Options (to the extent not exercised) as the Directors may consider appropriate; or (b) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Options (to the extent not exercised) to such longer period as the Board may consider appropriate. Any Options so cancelled will be regarded as utilised for the purpose of calculating the Initial Mandate Limit.

PART 3

SHORTENED VESTING

The Vesting Period of any given Option offered to an Employee Participant may be less than 12 months in the following circumstances, in the discretion of the Board:-

- (a) where the relevant Employee Participant is due to retire in less than 12 months from the Commencement Date;
- (b) where the Option is intended to "make-whole" to replace the share awards or options forfeited by the relevant person on leaving another employer. The Vesting Period may reflect the remainder of the vesting period of the forfeited awards that was left to run, which may be less than 12 months;
- (c) where the Option is held by an Option Holder (or in the case of an Option Holder which is a related trust or company of an Employee Participant, the relevant Employee Participant) whose employment is terminated due to death or disability or occurrence of any event that is not in the control of that Option Holder (or in the case of an Option Holder which is a related trust or company of an Employee Participant, the relevant Employee Participant) (whether or not eiusdem generis with death or disability)
- (d) where the Option has Performance Target-based vesting criteria and not time-based vesting criteria;
- (e) where Options are granted in batches during a year for administrative and compliance reasons and they should have been granted earlier but had to wait for a subsequent batch to reflect the time from which the Option would have been granted;
- (f) where the Option has a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and
- (g) where the Vesting Period of the Option plus the period (if any) for which the Option Holder is required under the relevant Option Agreement to hold the relevant Shares after exercise is 12 months or more.