

HONG KONG EXCHANGES AND CLEARING LIMITED

**AMENDED AND RESTATED RULES RELATING TO
THE HKE_x EMPLOYEES' SHARE AWARD SCHEME**

RICHARDS BUTLER
16-20 Chater Road
20th Floor
Alexandra House
Central
Hong Kong

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AMENDED AND RESTATED RULES RELATING TO THE HKEx EMPLOYEES' SHARE AWARD SCHEME

WHEREAS

- (A) On 14th September, 2005, the board of directors of the Company adopted a set of rules relating to the Scheme.
- (B) The board of directors of the Company considers that it is desirable to amend certain provisions of the rules adopted on 14th September, 2005 to facilitate the determination of Reference Awarded Sums for the purchase of Shares to be awarded under the Scheme by the Trustee.
- (C) On 16th August, 2006, the board of directors of the Company adopted this set of amended and restated rules relating to the Scheme.

1. DEFINITIONS AND INTERPRETATION

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

"Adoption Date"	14th September, 2005 (the date on which the Scheme is adopted by the Board);
"Articles"	the articles of association of the Company from time to time;
"Award"	(i) prior to 16th August, 2006, an award of Shares (together with any Related Income) by the Board pursuant to Paragraph 5(B)(a) or by the Trustee pursuant to Paragraph 8 to a Selected Employee pursuant to the Scheme; or (ii) with effect from 16th August, 2006, an award of Shares purchased with the Reference Awarded Sum (together with any Related Income) by the Board

pursuant to Paragraph 5(B)(b) or by the Trustee pursuant to Paragraph 8 to a Selected Employee pursuant to the Scheme;

"Awarded Shares"	<p>(i) prior to 16th August, 2006, in respect of a Selected Employee, such number of Shares determined by the Board and purchased by the Trustee out of cash paid by the Company by way of settlement pursuant to Paragraph 5(B)(a) to the Trustee or such number of Returned Shares awarded by the Trustee pursuant to Paragraph 8; or</p> <p>(ii) with effect from 16th August, 2006, in respect of a Selected Employee, such number of Shares purchased with the Reference Awarded Sum and allocated by the Trustee from the total number of Shares purchased out of cash paid by the Company by way of settlement pursuant to Paragraph 5(B)(b) to the Trustee or such number of Returned Shares awarded by the Trustee pursuant to Paragraph 8;</p>
"Board"	the Board of Directors of the Company, such committee or such sub-committee or person(s) delegated with the power and authority by the Board of Directors of the Company to administer the Scheme;
"Business Day"	a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
"Company"	Hong Kong Exchanges and Clearing Limited;
"Employee"	any employee (including without limitation any executive director) of the Company or of any Subsidiary;
"Excluded Employee"	any Employee who is resident in a place where the settlement of the Reference Amount and the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the

	Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such Employee;
"Further Shares"	Shares purchased by the Trustee out of cash income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the Trust;
"Group"	the Company and the Subsidiaries;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"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 of Hong Kong Limited;
"Partial Lapse"	shall have the meaning as set out in Paragraph 5(H);
"Reference Amount"	shall have the meaning as set out in Paragraph 5(B);
"Reference Awarded Sum"	in respect of a Selected Employee, such amount, as determined by the Board from time to time pursuant to Paragraph 5B(b), for the purchase of Awarded Shares;
"Reference Date"	<p>(i) prior to 16th August, 2006, the date of final approval by the Board of the total number of Shares to be awarded to the Selected Employees in a single occasion pursuant to the Scheme or the date of an Award by the Trustee pursuant to the Trust Deed; or</p> <p>(ii) with effect from 16th August, 2006, the date of final approval by the Board of the total amount of Reference Awarded Sums for the purchase of Shares to be awarded to the Selected Employees in a single occasion pursuant to the Scheme or the date of an Award by the Trustee pursuant to the Trust Deed;</p>

"Related Income"	all income derived from a Share held upon the Trust in the form of Shares (including but not limited to, the Further Shares, and any bonus Shares and scrip Shares received in respect of the Share). For the avoidance of doubt, excluding any nil paid right, bonus warrant, non cash and non scrip distribution or proceeds of sale of the same or Residual Cash;
"Residual Cash"	being cash remaining in the trust fund in respect of an Awarded Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, cash income and sale proceeds which have not been applied in the acquisition of Further Shares);
"Returned Shares"	such Awarded Shares and Related Income which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares;
"Scheme"	the "HKEx Employees' 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(A) hereof and Employee(s) selected by the Trustee after having taken into consideration recommendations of the Board pursuant to Paragraph 8 hereof for participation in the Scheme;
"SFC"	the Securities and Futures Commission;
"Shares"	ordinary shares of HK\$1.00 each in the capital of the Company (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);
"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 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
"Total Lapse"	shall have the meaning as set out in Paragraph 5(G);
"Trust"	the trust constituted by the Trust Deed;
"Trust Deed"	a trust deed dated 20th September, 2005 entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
"Trust Period"	shall have the meaning as set out in Clause 1.1 of the Trust Deed;
"Trustee"	HSBC Institutional Trust Services (Asia) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed; and
"Vesting Date"	shall have the meaning as set out in Paragraph 5(D).

(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.

2. PURPOSES AND OBJECTIVES

- (A) The specific objectives of the Scheme are:-
 - (i) to recognise the contributions by certain Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
 - (ii) to attract suitable personnel for further development 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 11, the Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date provided that no further settlement of Reference Amount shall be made on or after the 10th anniversary date of the Adoption Date.

4. ADMINISTRATION

- (A) The Scheme shall be subject to the administration of the Board in accordance with these rules of the Scheme.
- (B) The Trustee will hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

5. OPERATION OF SCHEME

- (A) The Board (and/or the Trustee pursuant to its powers under Paragraph 8 and the Trust Deed) may, from time to time, at their absolute discretion select any Employee (excluding any Excluded Employee) for participation in the Scheme as a Selected Employee. However, until so selected, no Employee shall be entitled to participate in the Scheme.
- (B) Subject to Paragraph 7,

- (a) prior to 16th August, 2006, the Board shall select Selected Employee(s) and determine the number of Awarded Shares and inform the Trustee and the Selected Employee(s) accordingly. The Board shall, after having regard to the requirement under Paragraph 5(L), cause to be paid the Reference Amount, being the sum of (i) the closing price of the Shares as at the Reference Date and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy and such other necessary expenses required for the completion of the purchase of all the Awarded Shares) to the Trustee (or as it shall direct) from the Company's resources as soon as practicable; and
 - (b) with effect from 16th August, 2006, the Board shall select Selected Employee(s) and determine the Reference Awarded Sum for the purchase of Shares to be awarded. The Board shall, after having regard to the requirement under Paragraph 5(L), cause to be paid the Reference Amount, being the sum of (i) the aggregate of the Reference Awarded Sums awarded to all Selected Employees and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy and such other necessary expenses required for the completion of the purchase of all the Awarded Shares) to the Trustee (or as it shall direct) from the Company's resources as soon as practicable.
- (C)
- (a) Prior to 16th August, 2006, within 20 Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the Reference Amount, or the cash income or the deemed cash income (as referred to in Paragraph 6(F)) of the Shares held upon the Trust, the Trustee shall apply the same towards the purchase of the Awarded Shares or the Further Shares, respectively at the prevailing market price. Any excess Reference Amount provided shall be returned by the Trustee to the Company forthwith after completion of the purchase. Where the Reference Amount paid or caused to be paid to the Trustee is not sufficient to purchase all the Awarded Shares, the Trustee shall acquire the maximum number of board lots of Shares and seek further funds from the Board until all the Awarded Shares are purchased. For the avoidance of doubt, the Shares so purchased shall form part of the capital of the trust fund of the Trust; and
 - (b) with effect from 16th August, 2006, within 20 Business Days on which the trading of Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the Reference Amount or the cash income or the deemed cash income (as referred to in Paragraph 6(F)) of the Shares held upon the Trust, the Trustee shall apply the same towards the purchase of the maximum number of board lots of Shares or the Further Shares, respectively at the prevailing market price. Any balance of the Reference Amount shall be returned by the Trustee to the Company forthwith after completion of

the purchase. The Shares so purchased with the Reference Amount shall be allocated to each Selected Employee proportionate to the Reference Awarded Sum so determined for him/her against the aggregate of the Reference Awarded Sums for all Selected Employees. No fractional Shares will be allocated to any Selected Employee. Shares which are not so allocated shall be deemed as Returned Shares for the purposes of the Scheme. Each Selected Employee will be notified of the number of Awarded Shares by the Trustee as soon as the Trustee completes the purchase and allocation process. For the avoidance of doubt, the Shares so purchased shall form part of the capital of the trust fund of the Trust.

- (D) Unless otherwise determined by the Board at its discretion, Awarded Shares and Related Income held by the Trustee upon the Trust and which are referable to a Selected Employee shall vest in that Selected Employee in accordance with the timetable below, provided that the Selected Employee remains at all times after the Reference Date and on each of the following vesting dates an Employee of the Company or a Subsidiary (for this purpose, the date or each such date on which the Awarded Shares and the Related Income are to vest being hereinafter referred to as a "Vesting Date"):-

Vesting Date	Amount of Awarded Shares and Related Income to vest
Second anniversary date of the Reference Date or in case such date is not a Business Day, the Business Day immediately thereafter	25% (round down to the nearest integral number of Shares)
Third anniversary date of the Reference Date or in case such date is not a Business Day, the Business Day immediately thereafter	25% (round down to the nearest integral number of Shares)
Fourth anniversary date of the Reference Date or in case such date is not a Business Day, the Business Day immediately thereafter	25% (round down to the nearest integral number of Shares)
Fifth anniversary date of the Reference Date or in case such date is not a Business Day, the Business Day immediately thereafter	balance (round down to the nearest integral number of Shares)

- (E) Notwithstanding the provision of Paragraph 5(D), in respect of a Selected Employee who died or retired at his normal retirement date or earlier by agreement with the Company or the Subsidiary at any time prior to a Vesting Date, all the Awarded Shares and the Related Income of a Selected Employee shall be deemed to be vested on the day immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Company or the Subsidiary.
- (F) In the event of the death of a Selected Employee, the Trustee shall hold the vested Awarded Shares and the Related Income (hereinafter referred to as "Benefits") upon trust and to transfer the same to the legal personal representatives of the Selected Employee 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 (i) 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 (ii) the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Employee or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held as Returned Shares for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the trust fund of the Trust.

- (G) Save as provided in Paragraph 5(E), in the event (i) a Selected Employee ceases to be an Employee, or (ii) the Subsidiary by which a Selected Employee is employed ceases to be a subsidiary of the Company (or of a member of the Group), or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) (each of these, an event of “Total Lapse”), the Award shall automatically lapse forthwith and all the Awarded Shares and Related Income of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.
- (H) In the event (i) a Selected Employee is found to be an Excluded Employee or (ii) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares and the Related Income within the stipulated period (whether in the ordinary vesting pursuant to the vesting timetable set out in Paragraph 5(D) or on such other dates as provided in these rules of the Scheme) (each of these, an event of “Partial Lapse”), the relevant part of an Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares and Related Income shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.
- (I) Except in the circumstances as set out in Paragraph 5(E) in respect of the death of a Selected Employee or retirement of a Selected Employee at his normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total lapse,
 - (i) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, one month prior to any Vesting Date, the Trustee shall send to the relevant Selected Employee (with a copy to the Company) a 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 and the Related Income on the relevant Vesting Date; and
 - (ii) subject to the receipt by the Trustee of (a) transfer documents prescribed by the Trustee and duly signed by the Selected Employee within the

period stipulated in the vesting notice referred to in Paragraph 5(I)(i) hereof, and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Awarded Shares and the Related Income to the relevant Selected Employee.

- (J) Any Award made hereunder shall be personal to the Selected Employee to whom it is made and shall not be assignable and 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 either the Reference Awarded Sum or the Reference Amount or the Awarded Shares referable to him pursuant to such Award or the Related Income or any of the Returned Shares under the Scheme.
- (K) For the avoidance of doubt,
- (i) a Selected Employee shall only have a contingent interest in the Awarded Shares and the Related Income which are referable to him subject to the vesting of such Shares in accordance with Paragraph 5(D);
 - (ii) a Selected Employee shall have no rights in the Residual Cash or any of the Returned Shares;
 - (iii) no instructions may be given by a Selected Employee to the Trustee in respect of the Awarded Shares and the Related Income, and such other properties of the Trust;
 - (iv) the Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, the Further Shares, the Returned Shares, any bonus Shares and scrip Shares);
 - (v) a Selected Employee shall have no rights in the balance fractional share of the Related Income of an Award and of the Shares not so allocated to him pursuant to paragraph 5(C)(b) and the fractional share arising out of consolidation of Shares (such Shares shall be deemed as Returned Shares for the purposes of the Scheme);
 - (vi) 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 the purchase of Further Shares, in the event the record date for ascertaining entitlement to distribution in respect of the Shares held upon the Trust is on a date earlier than a Vesting Date but the date of purchase of the Further Shares falls on or after the Vesting Date, the Trustee shall transfer such relevant Further Shares to the Selected Employee forthwith, after the purchase, subject to the receipt of duly executed prescribed transfer document by the Trustee within the stipulated period;

- (vii) save as provided under Paragraph 5(F), in the event a Selected Employee ceases to be an Employee on the relevant Vesting Date, the award of the Awarded Shares and the Related Income in respect of the relevant Vesting Date shall lapse, such Awarded Shares and Related Income shall not vest on the relevant Vesting Date and the Selected Employee shall have no claims against the Company or the Trustee;
 - (viii) 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 of the Selected Employee is made within the period prescribed in Paragraph 5(F), the legal personal representatives of the Selected Employee shall have no claims against the Company or the Trustee.
- (L) No payment shall be made to the Trustees pursuant to Paragraph 5(B) and no instructions to acquire Shares shall be given to the Trustees under the Scheme where any director is in possession of unpublished price sensitive information in relation to the Company or where dealings by directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.
- (M) 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.
- (N) Cash income of an Awarded Share shall be applied towards (i) the purchase of Further Shares to be held upon trust referable to the relevant Selected Employees and the payment of the relevant purchase expenses and (ii) the remainder, if any, to defray the fees, costs and expenses of the Trust.

6. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC

- (A) If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares and the Related Income shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the Vesting Date. Subject to the receipt by the Trustee of duly executed prescribed transfer documents on or before such time as the Trustee may determine, the Trustee shall transfer the Awarded Shares and the Related Income to the Selected Employee. For the purpose of this Paragraph 6(A), “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Repurchases from time to time.
- (B) 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 as is appropriate and the net proceeds of sale of such rights shall be held as income of the Trust Fund and

applied in the subscription of rights shares under the rights issue. Such rights shares shall be regarded as Further Shares for the purposes of the Trust.

- (C) 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, the net proceeds of sale of such bonus warrants shall be held as income of the trust fund of the Trust and shall be applied in accordance with Paragraph 5(N).
- (D) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares.
- (E) In the event the Company undertakes a consolidation of the Shares, all fractional share arising out of such consolidation in respect of the Awarded Shares and the Related Income of a Selected Employee shall be deemed as Returned Shares for the purposes of the Scheme and shall not be transferred to the relevant Selected Employee on the relevant Vesting Date.
- (F) 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 the net sale proceeds thereof shall be deemed as cash income of a Share held upon the Trust and shall be applied in accordance with Paragraph 5(N).

7. SCHEME LIMIT

- (A) The Board shall not make any further Award which will result in the number of Shares awarded by the Board under the Scheme would represent in excess of three per cent. of the issued share capital of the Company as at the Adoption Date.
- (B) The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent. of the issued share capital of the Company as at the Adoption Date.

8. RETURNED SHARES

The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Employees (excluding any Excluded Employee), whether the awardee is a Selected Employee at the time of award, as the Trustee in its absolute discretion shall at any time determine, after having taken into consideration recommendations of the Board.

When Returned Shares have been awarded, the Trustee shall notify the Board accordingly.

9. DISPUTES

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board of Directors of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding.

10. ALTERATION OF THE SCHEME

(A) The Scheme may be altered in any respect by a resolution of the Board of Directors of the Company provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Employee hereunder except with:

- (i) the consent in writing of Selected Employees is obtained amounting to three-fourths in nominal value of all Shares so held by the Trustee on that date; or
- (ii) the sanction of a Special Resolution passed at a meeting of the Selected Employees.

(B) For any such meeting of Selected Employees referred to in Paragraph 10(A) all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply as though the Shares then held by the Trustee on behalf of Selected Employees were a separate class of shares forming part of the share capital of the Company except that:

- (i) not less than 7 days' notice of such meeting shall be given;
- (ii) a quorum at any such meeting shall be two Selected Employees present in person or by proxy;
- (iii) every Selected Employee present in person or by proxy at any of such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Awarded Share proposed to be awarded to him and held by the Trustee (but, for the avoidance of doubt, excluding for this purpose any Shares representing the Related Income);
- (iv) any Selected Employee present in person or by proxy may demand a poll; and
- (v) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than 7 or more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Selected Employees who are then present in person or by proxy shall form a quorum and at least 7 days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such

notice shall state that those Selected Employees who are then present in person or by proxy shall form a quorum.

11. TERMINATION

- (A) The Scheme shall terminate on the earlier of;
- (i) on the 15th anniversary date of the Adoption Date; and
 - (ii) such date of early termination as determined by the Board of Directors of the Company provided that such termination shall not affect any subsisting rights of any Selected Employee hereunder.
- (B) Upon termination,
- (i) all the Awarded Shares and the Related Income shall become vested on the Selected Employee so referable on such date of termination save in respect of the Total Lapse, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee within the period stipulated by the Trustee;
 - (ii) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Board may otherwise determine);
 - (iii) Residual Cash, net proceeds of sale referred to in Paragraph 11(B)(ii) hereof and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to Paragraph 11(B)(ii) hereof).
- (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.

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 12(C), expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of 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 or the Trustee in respect of any sale, purchase, vesting or transfer of Shares.
- (C) 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 registered office 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 in Hong Kong as notified to the Company from time to time.
- (D) 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) The Company 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.

13. GOVERNING LAW, ETC.

- (A) The Scheme shall operate subject to the Articles and any applicable law.
- (B) The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.