

## RULES OF THE SPACKMAN ENTERTAINMENT GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME

### 1. NAME OF THE ESOS

The ESOS is called the “Spackman Entertainment Group Limited Employee Share Option Scheme”.

### 2. DEFINITIONS

2.1 In the ESOS, unless the context otherwise requires, the following words and expressions have the following meanings:

“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Associate”	:	Has the meaning assigned to it by the Listing Manual, as amended, modified or supplemented from time to time
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Committee”	:	The remuneration committee of the Company, or such other committee comprising directors of the Company duly authorised and appointed by the Board to administer this ESOS
“Company”	:	Spackman Entertainment Group Limited
“control”	:	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A shareholder exercising control over the Company and unless rebutted, a person who controls directly or indirectly 15.0% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder of the Company
“Date of Grant”	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7

<i>“Director”</i>	:	A person holding office as a director for the time being of the Company and/or its Subsidiaries, as the case may be
<i>“ESOS”</i>	:	The Spackman Entertainment Group Limited Employee Share Option Scheme, as the same may be modified or altered from time to time
<i>“Executive Director”</i>	:	A director of the Company and/or its Subsidiaries, as the case may be, who performs an executive function within the Company or the relevant Subsidiary, as the case may be
<i>“Exercise Price”</i>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10
<i>“Grantee”</i>	:	A person to whom an offer of an Option is made
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Group Employee”</i>	:	Any confirmed full time employee of the Group (including any Executive Director) selected by the Committee to participate in the ESOS in accordance with Rule 4
<i>“Listing Manual”</i>	:	Section B of the listing manual of the SGX-ST: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Price”</i>	:	A price equal to the average of the last dealt prices for the Shares on Catalist over the five consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
<i>“Non-Executive Director”</i>	:	A director of the Company and/or its Subsidiaries, as the case may be, other than an Executive Director but including the independent Directors of the Company
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made pursuant to the ESOS

“Offeree”	:	The person to whom an offer of an Option is made
“Option”	:	The right to subscribe for Shares granted or to be granted to a Group Employee pursuant to the ESOS and for the time being subsisting
“Participant”	:	The holder of an Option
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Rules”	:	Rules of the Spackman Entertainment Group Limited Employee Share Option Scheme
“securities account”	:	The securities account maintained by a Depositor with CDP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	The sponsor appointed by the Company in accordance with the Listing Manual, for such time as the Company remains listed on the Catalist Board of the SGX-ST
“Subsidiaries”	:	Companies which are for the time being subsidiaries of the Company as defined by Section 5 of the Act; and “Subsidiary” means each of them
“%”	:	Per centum
“S\$”	:	Singapore dollars

- 2.2 The term “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to it by Section 130A of the Act and the term “Associate” shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to Catalist (as modified, supplemented or amended from time to time).
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

- 2.4 Any reference to a time of a day in the ESOS is a reference to Singapore time.
- 2.5 Any reference in the ESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless otherwise defined, any word defined under the Act or any statutory modification thereof and used in the ESOS shall have the meaning assigned to it under the Act.

### **3. OBJECTIVES OF THE ESOS**

- 3.1 The ESOS will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group (including Executive Directors) and Non-Executive Directors (including Independent Directors), and who satisfy the eligibility criteria as set out in Rule 4 of the ESOS, to participate in the equity of the Company.
- 3.2 The ESOS is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the success and continued well-being of the Group. Implementation of the ESOS will enable the Company to give recognition to the contributions made by such Group Employees. At the same time, it will give such Group Employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:
- (a) to motivate each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
  - (b) to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Group;
  - (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Company;
  - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
  - (e) to align the interests of the Participants with the interests of the Shareholders.

### **4. ELIGIBILITY**

- 4.1 Confirmed Group Employees (including Executive Director) and Non-Executive Directors (including Independent Director) who have attained the age of 21 years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.
- 4.2 Controlling Shareholders and their Associates who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the ESOS, provided that (a) the participation of, and (b) the terms of any Options to be granted and the actual number of Options to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholder or his Associate any Options (including the rationale for any discount to the market price, if so proposed).

Such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to his participation in this ESOS and the grant of Options to him.

- 4.3 For the purposes of determining eligibility to participate in the ESOS, the secondment of a confirmed Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.
- 4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the ESOS may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

## **5. MAXIMUM ENTITLEMENT**

- 5.1 Subject to Rule 4, Rule 5.2, Rule 5.3 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the ESOS shall be determined by the Committee, in its absolute discretion, who shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential development of the Participant.
- 5.2 The aggregate number of Shares issued and issuable in respect of all Options granted under the ESOS available to the Controlling Shareholders or Associates of the Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the ESOS.
- 5.3 The number of Shares issued and issuable in respect of all Options granted under the ESOS available to each Controlling Shareholder or Associate of a Controlling Shareholder under the ESOS shall not exceed 10.0% of the total number of Shares available under the ESOS.

## **6. LIMITATION ON SIZE OF THE ESOS**

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option.

## **7. OFFER DATE**

The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the ESOS is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

An offer to grant the Option to a Grantee shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule A, subject to such amendments as the Committee may determine from time to time.

## **8. ACCEPTANCE OF OFFER**

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date (a) by completing, signing and returning to the Company the acceptance form (“**Acceptance Form**”) in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the ESOS in accordance with these Rules.

The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.

If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8.1, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

- 8.2 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or exercise notice (“**Exercise Notice**”) in or substantially in the form set out in Schedule C given pursuant to Rule 12 which does not strictly comply with the terms of the ESOS.
- 8.3 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.4 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.5 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the (30 day period;
  - (b) the Grantee dies prior to his acceptance of the Option;
  - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
  - (d) the Grantee being a Group Employee ceases to be in the employment of the Group or (being a Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or

(e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

## **9. EXERCISE PRICE**

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
  - (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
  - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company and/or its Subsidiaries, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee or Director;
- (c) the contribution of the eligible Group Employee or Director to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

9.3 In the event that the Company is no longer listed on Catalist or any other relevant stock exchange or trading in the Shares on Catalist or such stock exchange is suspended for any reason for 14 days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

## **10. ALTERATION OF CAPITAL**

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made:
- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and
  - (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of market purchase of such Shares undertaken by the Company on Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10, unless the Committee considers an adjustment to be appropriate, having due regard to the interests of Shareholders and Participants.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

## **11. OPTION PERIOD**

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.



11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:

- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever;
- (b) upon the bankruptcy of the Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee, or

for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option

within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

## **12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES**

- 12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C (“**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the abovementioned Notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- 12.2 Subject to:
- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary; and
  - (b) compliance with the Rules, the Act and the Memorandum and Articles of Association of the Company, the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.
- 12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply for the listing and quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant’s securities sub-account with a CDP Depository Agent.
- 12.5 Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

### **13. MODIFICATIONS TO THE ESOS**

13.1 Any or all the provisions of the ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) of the total number of Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the ESOS shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Sponsor or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor) amend or alter the ESOS in any way to the extent necessary to cause the ESOS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body.

13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

### **14. DURATION OF THE ESOS**

14.1 The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the ESOS is adopted by the Company in general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The ESOS may be terminated at any time by the Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the ESOS is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the ESOS shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

## **15. TAKE-OVER AND WINDING UP OF THE COMPANY**

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the Sponsor, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void.

Provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period.

15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another corporation or corporations, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) shall notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.

15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

15.4 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 to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Participant (or his personal

representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the shares in respect of which the notice is given whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

## **16. ADMINISTRATION OF THE ESOS**

- 16.1 The ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the ESOS) as it may consider necessary, desirable or expedient for it to administer and give effect to the ESOS.
- 16.3 Any decision of the Committee, made pursuant to any Rule of the ESOS (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Rules of the ESOS or any rule, regulation or procedure thereunder or as to any rights under the ESOS).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

## **17. NOTICES**

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

## **18. TERMS OF EMPLOYMENT UNAFFECTED**

- 18.1 The ESOS or any Option shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the ESOS or any right which he may have to participate in it or any Option which he may hold and the ESOS or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The ESOS shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company or any Subsidiary.

## **19. TAXES**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the ESOS shall be borne by that Participant.

## **20. COSTS AND EXPENSES OF THE ESOS**

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Rules to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the ESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

## **21. CONDITION OF OPTION**

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to the constitutive documents of the Company or any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

## **22. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the ESOS, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Catalist (or any other relevant stock exchange).

**23. DISCLOSURE IN ANNUAL REPORT**

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular financial year):
  - (i) Participants who are Directors of the Company; and
  - (ii) Participants who are Controlling Shareholders of the Company and their associates; and
  - (iii) Participants, other than those in (i) and (ii) above, who receive 5.0% or more of the total number of Options available under the ESOS;

<b>Name of Participant</b>	<b>Options granted during financial year under review (including terms)</b>	<b>Aggregate Options granted since commencement of the ESOS to end of financial year under review</b>	<b>Aggregate Options exercised since commencement of the ESOS to end of financial year under review</b>	<b>Aggregate Options outstanding as at end of financial year under review</b>
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- (c) In respect of Options granted to directors and employees of the Company and its Subsidiaries:
  - (i) the names of and number and terms of Options granted to each director or employee of the Company and its Subsidiaries who receives 5.0% or more of the total number of Options available to all directors and employees of the Company and its Subsidiaries under the scheme, during the financial year under review; and
  - (ii) the aggregate number of Options granted to the directors and employees of the Company and its Subsidiaries for the financial year under review, and since the commencement of the ESOS to the end of the financial year under review.
- (d) The number and proportion of Options granted at the following discounts to average market value of the Shares in the financial year under review:
  - (i) Options granted at up to 10.0% discount; and
  - (ii) Options granted at between 10.0% but not more than 20% discount.

Provided that if any of the above requirements is not applicable, an appropriate negative statement must be included.

**24. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the ESOS shall abstain from voting on any Shareholders' resolution relating to the ESOS.

**25. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

**26. GOVERNING LAW**

The ESOS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the ESOS, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.



**Schedule A**

**SPACKMAN ENTERTAINMENT GROUP LIMITED EMPLOYEE SHARE OPTION  
SCHEME**

**LETTER OF OFFER**

Serial No: \_\_\_\_\_

Date: \_\_\_\_\_

To: [Name]  
[Designation]  
[Address]

**Private and Confidential**

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Spackman Entertainment Group Limited Employee Share Option Scheme (the “**ESOS**”), you have been nominated to participate in the ESOS by the Committee (the “**Committee**”) appointed by the Board of Directors of Spackman Entertainment Group Limited (the “**Company**”) to administer the ESOS. Terms as defined in the Rules of the ESOS shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted \_\_\_\_\_ Shares at the price of S\$ \_\_\_\_\_ per Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the ESOS, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on \_\_\_\_\_, failing which this offer will lapse.

Yours faithfully,

**For and on behalf of**

Spackman Entertainment Group Limited

**Schedule B**

**SPACKMAN ENTERTAINMENT GROUP LIMITED EMPLOYEE SHARE OPTION  
SCHEME**

**ACCEPTANCE FORM**

Serial No: \_\_\_\_\_

Date: \_\_\_\_\_

To: **The Committee**

Spackman Entertainment Group Limited Employee Share Option Scheme  
Spackman Entertainment Group Limited  
16 Collyer Quay, #17-00  
Singapore 049318

Closing Date for Acceptance of Offer	:	
Number of Shares Offered	:	
Exercise Price for each Share	:	S\$ _____
Total Amount Payable	:	S\$ _____

I have read your Letter of Offer dated \_\_\_\_\_ and agree to be bound by the terms of the Letter of Offer and ESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$ \_\_\_\_\_ per Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

**Please print in block letters**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Note:**  
\* Delete where inapplicable

Schedule C

**SPACKMAN ENTERTAINMENT GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME**

**EXERCISE NOTICE**

Total number of ordinary shares (“Shares”) offered at S\$ _____ per Share (“Exercise Price”) under the ESOS on _____ (Date of Grant)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: **The Committee**

Spackman Entertainment Group Limited Share Option Scheme  
Spackman Entertainment Group Limited  
16 Collyer Quay, Floor 17  
Singapore 403095

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in Spackman Entertainment Group Limited (the “Company”) at S\$ \_\_\_\_\_ per Share.
2. I enclose a \*cheque/cashiers order/banker’s draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Spackman Entertainment Group Limited Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“CDP”) for credit of my \*securities account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

**Please print in block letters**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

\*Direct Securities Account No. : \_\_\_\_\_

OR

\*Sub Account No. : \_\_\_\_\_

Name of Depository Agent : \_\_\_\_\_

OR

\*CPF Investment Account No. : \_\_\_\_\_

Name of Agent Bank : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Note:**

\* Delete where inapplicable