

UNITED ENVIROTECH LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200306466G)

**AMENDMENTS TO THE EMPLOYEE SHARE OPTION SCHEME OF THE COMPANY (THE
“UNITED ENVIROTECH ESOS”)**

1. APPROVAL-IN-PRINCIPLE

The Board of Directors (the “**Board**”) of United Envirotech Ltd. (the “**Company**”) wishes to announce that the Company had on 13 February 2013 received approval-in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the proposed amendments to the existing United Envirotech ESOS (the “**Amendments to the Existing ESOS Rules**”) subject to the following conditions:

- (a) compliance with the SGX-ST’s listing requirements; and
- (b) an announcement by the Company on the details of the amendments and the reasons for the amendments to the United Envirotech ESOS.

Please note that the SGX-ST’s approval-in-principle is not to be taken as an indication of the merits of the United Envirotech ESOS, the Amendments to the Existing ESOS Rules, the shares in the capital of the Company (the “**Shares**”), the Company and/or its subsidiaries.

2. BACKGROUND

The existing employee share option scheme of the Company (the “**Existing ESOS Rules**”) was approved by shareholders of the Company (the “**Shareholders**”) on 2 February 2010, and is an integral and important component of the Company’s compensation plan by providing eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The United Envirotech ESOS is designed to primarily reward and retain employees whose services are vital to the Company’s well being and success.

As at the date of this announcement, the aggregate number of shares that may be issued upon exercise of all the options (“**Options**”) that have already been granted under the United Envirotech ESOS is 11,750,000.

3. THE AMENDMENTS TO THE EXISTING ESOS RULES

The Amendments to the Existing ESOS Rules have been set out in Appendix 1 attached hereto, and have been approved by the remuneration committee of the Company (being the committee administering the existing United Envirotech ESOS)(the “**Committee**”). The Amendments to the Existing ESOS Rules will take effect on 13 February 2013 (the “**Effective Date**”).

4. RATIONALE FOR THE AMENDMENTS TO THE EXISTING ESOS RULES

In addition to the current time-based conditions, the Company proposes to amend the Existing ESOS Rules to grant the Committee the right to impose performance conditions for exercising the Options under the United Envirotech ESOS.

As the Amendments to the Existing ESOS Rules seek to expressly grant the Committee the right to impose additional performance conditions for the exercise of Options by a participant under the United Envirotech ESOS (the "**Participant**"), they are not to the advantage of the Participants.

In addition, pursuant to the proposed Amendments to the Existing ESOS Rules, the additional performance conditions shall not apply to any Options granted to any Participant prior to the Effective Date, and thus will only affect the rights attaching to new Options granted on or after the Effective Date.

The Board and the Committee believes that granting the Committee the right to impose performance conditions (in addition to time-based conditions) for exercising the Options would give the Committee greater flexibility to align the interests of the Participants with the interests of the Company, and motivate the Participants towards better performance for the Company in the long term, which are (i) consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company; and (ii) in the interests of the Shareholders.

5. APPROVALS REQUIRED

As illustrated under paragraph 4 above, the proposed Amendments to the Existing ESOS Rules do not alter adversely the rights attaching to any Option granted prior to the Effective Date, and accordingly, the consent in writing of Participants holding existing Options is not required under Rule 13.1 (a) of the Existing ESOS Rules.

Furthermore, as illustrated under paragraph 4 above, the proposed Amendments to the Existing ESOS Rules would not be to the advantage of the Participants, and accordingly, the prior approval of Shareholders in a general meeting is not required under Rule 13.1 (b) of the Existing ESOS Rules.

The Company has obtained the approval-in-principle from SGX-ST for the proposed Amendments to the Existing ESOS Rules pursuant to Rule 13.1 (c) of the Existing ESOS Rules.

BY ORDER OF THE BOARD

Dr. Lin Yucheng
Chairman and Chief Executive Officer
14 February 2013

RULES OF THE UNITED ENVIROTECH EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the “United Envirotech Employee Share Option Scheme”.

2. DEFINITIONS

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

- “Adoption Date”* : The date on which the Scheme is adopted by the Company in a general meeting.
- “Articles”* : The articles of association of the Company for the time being.
- “Associate”* : (a) In relation to any Director, chief executive officer, substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Associated Company”* : For the purpose of the Scheme, means a company in which at least 20% but not more than 50% of its shares are held by the Company or the Group, and over which the Company has control.
- “Auditors”* : The auditors of the Company for the time being.
- “Board”* : The board of Directors.
- “CDP”* : The Central Depository (Pte) Limited.

<i>“Committee”</i>	:	Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the Scheme.
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
<i>“Company”</i>	:	United Envirotech Ltd.
<i>“control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
<i>“Controlling Shareholder”</i>	:	A person who (a) holds directly or indirectly 15% or more of the total votes attached to all the voting shares in the Company or (b) in fact exercises control over the Company.
<i>“CPF”</i>	:	Central Provident Fund.
<i>“Date of Grant”</i>	:	The date on which an Option is granted to a Participant pursuant to Rule 7.
<i>“Directors”</i>	:	The directors of the Company for the time being.
<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, its Subsidiaries and its Associated Companies, if any.
<i>“Group Employee”</i>	:	An employee of the Group (including any Group Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.
<i>“Group Executive Director”</i>	:	A director of the Group who performs an executive function.
<i>“Group Non-Executive Director”</i>	:	A director of the Group other than a Group Executive Director but including an Independent Director.
<i>“Independent Director”</i>	:	An independent director of the Company.
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST.
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for securities trading.
<i>“Market Price”</i>	:	A price equal to the average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for the

Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.

<i>“Memorandum”</i>	:	The memorandum of association of the Company for the time being.
<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme.
<i>“Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme.
<i>“Option Period”</i>	:	The period(s) within which an Option has to be exercised as stated in Rule 11.
<i>“Participant”</i>	:	A person who is selected by the Committee to participate in the Scheme in accordance with the rules thereof.
<i>“Record Date”</i>	:	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.
<i>“Rules”</i>	:	Rules of the Scheme and any reference to a particular Rule shall be construed accordingly.
<i>“Scheme”</i>	:	The proposed employee share option scheme of the Company known as the United Envirotech Employee Share Option Scheme, as amended or modified from time to time pursuant to the rules set out herein.
<i>“Securities Account”</i>	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited.
<i>“Shareholders”</i>	:	Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Accounts.
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company.
<i>“Subsidiary”</i>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act.
<i>“treasury shares”</i>	:	Treasury shares shall have the meaning ascribed to it in Section 4 of the Companies Act.
<i><u>“Vesting Schedule”</u></i>	:	<u>In relation to an Option, a schedule for the vesting of Shares comprised in the Option during the Exercise Period in relation to that Option to be determined by</u>

the Committee on the Date of Grant of that Option.

“\$” and “cents” : Singapore dollars and cents, respectively.

“%” or “per cent.” Per centum or percentage.

- 2.2 The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act or any statutory modification hereof, as the case may be.
- 2.3 Words importing the singular number shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.
- 2.4 Any reference in this Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.
- ~~2.5~~ Any reference to a time of a day in the Scheme is a reference to Singapore time.

Unless the context otherwise requires or permits, references to “including” shall not be construed restrictively but shall mean “including without prejudice to the generality of the foregoing” and “including, but without limitation”.

3. OBJECTIVES OF THE SCHEME

The Company places strong emphasis on the recruitment and retention of quality employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

The Scheme will provide the Company with the means to use share options as part of a compensation scheme for attracting as well as promoting long-term staff retention, by providing an opportunity for employees who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company, namely Group Employees (including Group Executive Directors) and Group Non-Executive Directors (including Independent Directors).

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of ~~such~~the Group Employees (including Group Executive Directors) and the Group Non-Executive Directors (including Independent Directors) are important to the current on-going development, growth and success of the Group. Implementation of the Scheme will give the Company the flexibility in relation to the Group's remuneration package for its employees and allow the Group to better manage its fixed overheads. At the same time, it will give such persons an opportunity to have a direct interest in the Company at no direct cost to its profitability 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 make employee remuneration sufficiently competitive to recruit and retain Participants whose contributions are important 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 development and growth of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to align the interests of the Participants with the interests of the Shareholders; and
- (f) to give recognition to the contributions made or to be made by the Group Non-Executive Directors (including Independent Directors) to the success of the Group.

4. ELIGIBILITY

- 4.1 Confirmed Group Employees (including Group Executive Directors) and the Group Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or prior to the relevant Date of Grant and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.
- 4.2 Controlling Shareholders and/or their Associates who meet the eligibility criteria in Rule 4.1 and who have contributed to the success and development of the Group are, subject to the absolute discretion of the Committee, eligible to participate in the Scheme provided that the participation by each such Controlling Shareholder or Associate and each grant of Options to any one of them may be effected only with the specific prior approval of Shareholders at a general meeting in separate resolutions. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options.
- 4.3 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.
- 4.4 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 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 Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential for future development of the Participant.

6. LIMITATION ON SIZE OF THE SCHEME

- 6.1 The aggregate number of Shares in respect of which Options may be granted on any date under the Scheme, when added to the amount of Shares issued and issuable and/or transferred and transferable in respect of:
 - (a) all Shares available under the Scheme; and
 - (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force,

shall not exceed 15% of the number of issued Shares (excluding treasury shares) of the Company on the day immediately preceding the relevant Date of Grant (or such

other limit as the SGX-ST may determine from time to time). The Options which have already been granted shall not be invalidated in the event that a reduction of the Company's capital or a buy back of its Shares (if applicable) results in the Shares issuable and/or transferable under outstanding Options exceeding 15% of the Company's issued share capital (excluding treasury shares).

- 6.2 The aggregate number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Scheme available to all Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Scheme.
- 6.3 The number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Scheme available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Scheme.

7. DATE OF GRANT

- 7.1 The Committee may, save as provided in Rules 4, 5 and 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme 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 (whichever 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.
- 7.2 An offer to grant an 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 Appendix 1.1, subject to such modification 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 Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant (a) by completing, signing and returning to the Company the acceptance form (the "**Acceptance Form**") in or substantially in the form set out in Appendix 1.2, subject to such modification as the Committee may from time to time determine, accompanied by payment of \$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 Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30-day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.
- 8.3 The Committee shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined below) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 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.
- 8.5 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.

- 8.6 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 of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 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 Participant dies prior to his acceptance of the Option;
 - (c) the Participant 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, a Subsidiary or an Associated Company, as the case may be, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated 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; and
 - (ii) the Shareholders in a general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme 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 Group;
 - (b) the years of service and individual performance of the eligible Group Employee or the Group Non-Executive Director;
 - (c) the contribution of the eligible Group Employee or the Group Non-Executive Director to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.

10. ALTERATION OF CAPITAL

- 10.1 If a variation in the number of issued Shares (excluding treasury shares) 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 in respect of 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 will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 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, 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 [Subject to Rule 11.3 to Rule 11.8,](#) 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), by a Participant after the first anniversary of the Date of Grant of that Option [and in accordance with the Vesting Schedule \(if any\) and the conditions \(if any\) applicable to that Option,](#) provided always that such Options granted with the Exercise Price set at Market Price (other than Options granted to Group Non-Executive Directors) shall be exercised before the 10th anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth anniversary of the relevant Date of Grant, 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 [Subject to Rule 11.3 to Rule 11.8,](#) 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), by a Participant after two years from the Date of Grant of that Option [and in accordance with the Vesting Schedule \(if any\) and the conditions \(if any\) applicable to that Option,](#) provided always that the Options (other than Options granted to Group Non-Executive Directors) shall be exercised before the 10th anniversary of the

relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth anniversary of the relevant Date of Grant, 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 11.3, Rule 11.4 and 11.5,~~ to Rule 11.8, 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 ~~Subject to Rule 11.8, 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 ~~Subject to Rule 11.8, if~~ a Participant ceases to be employed by a company within the Group:
- (a) by reason of such company, by which he is principally employed, ceasing to be a company within the Group or the undertaking or part of the undertaking of such member, 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 ~~Subject to Rule 11.8, 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 ~~#~~Subject to Rule 11.8, if a Participant, who is also a Group Executive Director or a Group Non-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.

11.8 Notwithstanding anything to the contrary in these Rules, the exercise of any Options by any Participant is further subject to this Rule 11.8. On or after the grant of any Options to a Participant, the Committee shall be entitled, in its sole discretion, to evaluate the performance of the Group and the Participant in each financial year, based on certain performance criterion to be determined by the Committee for that financial year, which criterion may include (a) the net profits of the Company and/or the Group, and/or (b) the financial, operational and/or management performance of the department within the Group in which the Participant is located. Subject to the results of such evaluation, the Committee shall, in its sole discretion, determine the aggregate number of Options which can be exercised by the Participant. Written notification of the aggregate number of Options which can be exercised by the Participant shall be given to the Participant after such determination by the Committee.

For the avoidance of doubt, and notwithstanding anything to the contrary in these Rules:

(i) no Options may be exercised by any Participant prior to receipt by the Participant of such written notification from the Committee, and upon receipt of the said written notification, the Participant may only exercise up to the aggregate number of Options reflected in the said written notification; and

(ii) this Rule 11.8 shall not apply to any Options granted to any Participant prior to ~~[to insert date of effectiveness of these amendments].~~

12. EXERCISE OF OPTIONS, ALLOTMENT, TRANSFER AND LISTING OF SHARES

12.1 ~~An~~Subject to Rule 11.8, an Option may be exercised, in accordance with Rule 11.1 or Rule 11.2 as the case may be, 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 Appendix 1.3 (the “**Exercise Notice**”), subject to such modification 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 said 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 (including any approvals required from the SGX-ST); and

(b) compliance with the Rules, and the Memorandum and Articles,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot and issue or transfer the Shares in respect

of which such Option has been exercised by the Participant and deliver the relevant share certificates to CDP for the crediting 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 to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued or transferred upon exercise of the Option and the Shares (if any) which may be issued or transferred to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or transferred, as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP, or to the Participant's securities sub-account with a CDP Depository Agent, or if such securities account is not available, in the name of the Participant.
- 12.5 Shares allotted and issued or transferred upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles and shall rank *pari passu* in all respects with the then existing issued Shares (excluding treasury 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 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.7 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 SCHEME

- 13.1 Any or all the provisions of the Scheme 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 Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in a general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST 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 SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause

the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

- 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 SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme 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 Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme 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 LIQUIDATION 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 Rule 11.1 and Rule 11.2) holding Options as yet unexercised shall, ~~notwithstanding subject to~~ Rules ~~11.1.8~~ and ~~12~~ but subject to Rule 15.5, be entitled to exercise such Options in full or in part in 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-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, 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 Companies 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~~, 11.3 to Rule 11.8, 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 company or companies,

Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and Rule 11.2) shall ~~notwithstanding Rules 11 and 12 but~~, subject to ~~Rule~~[Rules 11.8 and](#) 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 10th anniversary of the Date of Grant.

- 15.3 If an order or an effective resolution is passed for the liquidation of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date of such order or resolution 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 liquidation plan and/or a resolution to appoint a liquidator of the Company, the Company shall on the same date or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Participant (or his or her legal personal representative(s)) shall, [subject to Rule 11.8](#), 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 and issue or transfer the relevant Shares to the Participant credited as fully-paid.
- 15.5 If in connection with the making of a general take-over referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the liquidation 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 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations of the Committee in respect of the Options to be granted to him in compliance with the requirements of the Listing Manual.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (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 Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

17. NOTICES

- 17.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Scheme or any Option shall not form part of any contract of employment between any member of the Group 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 Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme 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 Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group.

19. TAXES

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

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer 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 with CDP, 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 Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including ~~but not limited to~~ the fees, costs and expenses relating to the allotment and issue, or transfer, 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 or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to 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 Companies 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 Scheme, including ~~but not limited to~~ the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of the New Shares on the SGX-ST.

23. DISCLOSURES 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:
 - (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates (if any); and
 - (iii) Participants, other than those in (i) and (ii) above who receive 5% or more of the total number of Options available under the Scheme.

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) The number and proportion of Options granted at the following discounts to average market value of the Shares during the financial year under review:
 - (i) Options granted at a 10% discount; and
 - (ii) Options granted at between 10% but not more than 20% discount.

24. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme.

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 Scheme 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 Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

THE UNITED ENVIROTECH EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial _____ No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the Committee of Directors of United Envirotech Ltd. (the “**Company**”) to participate in the United Envirotech Employee Share Option Scheme (the “**Scheme**”). Terms defined in the Scheme shall have the same meaning and construction when used in this letter.

Accordingly, an offer is hereby made to grant you an Option ~~(as defined in the Scheme)~~, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted _____ new ordinary shares in the capital of the Company (“**Shares**”) at the price of S\$_____ per Share ~~(the “Subscription Price”). *The Subscription Price represents a ** discount/premium of _____ per cent. to the Market Price.~~

The Option shall be exercisable at the relevant times, and in respect of that number of Shares specified, as set out in the Vesting Schedule (if any) attached to this letter, and shall be subject to the performance criterion determined or to be determined by the Committee in accordance with Rule 11.8 of the Rules being met.

This Option is personal to you and shall not be transferred, charged, assigned, pledged or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee ~~(as defined in the Scheme).~~

The Option shall be subject to the ~~rules~~Rules (including Rule 11.8 of the ~~Scheme~~Rules), a copy of which is available for inspection at the business address of the Company, as well as the terms of this letter.

~~Kindly note that under the rules of the Scheme, you will not be entitled to exercise the Option before the _____ anniversary of the date first above-written.~~

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 _____ (a.m./p.m.) on _____, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

THE COMMITTEE
UNITED ENVIROTECH EMPLOYEE SHARE OPTION SCHEME
UNITED ENVIROTECH LTD.

Notes:

* To be inserted only if Subscription Price is discounted from, or is higher than, the Market Price on the Date of Grant.

** Delete accordingly.

Vesting Schedule

Subject to the Scheme and to the terms of the letter of offer dated _____, the Option may, subject to the Rules (including Rule 11.8 of the Rules), be exercised during the Exercise Period, at the following times and in the following manner:

<u><i>Vesting Schedule</i></u>	<u><i>Percentage of Shares over which an Option is exercisable, subject to the Rules (including Rule 11.8 of the Rules)</i></u>
On or before the * <u><i>[first/second]</i></u> anniversary of the Date of Grant	<u><i>Nil</i></u>
<u><i>[To set out vesting period]</i></u>	<u><i>[To set out percentage]</i></u>
<u><i>[To set out vesting period]</i></u>	<u><i>[To set out percentage]</i></u>
<u><i>[To set out vesting period]</i></u>	<u><i>[To set out percentage]</i></u>

In relation to the Option, if the Participant, during any of the periods specified above, exercises that Option for such number of Shares which, in aggregate, represents less than the number of Shares for which the Participant may exercise in respect of such period, the balance of the Shares comprised in that Option for which the Participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of Shares (but shall not be taken into account in determining the number of Shares) which the Participant may exercise in the next succeeding period or periods, in each case, subject to the Rules (including Rule 11.8 of the Rules).

Note:

* The Exercise Period will commence after the 1st anniversary of the Date of Grant if the Subscription Price is equal to, or more than, the Market Price on the Date of Grant. The Exercise Period will commence after the 2nd anniversary of the Date of Grant if the Subscription Price is discounted from the Market Price on the Date of Grant.

THE UNITED ENVIROTECH EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial _____ No. _____

Private and Confidential

To: The Committee
 United Envirotech Employee Share Option Scheme
 United Envirotech Ltd.
 [Address]

Closing Date and Time for Acceptance of Offer :

Number of new ordinary shares in the capital of
 the Company (“Shares”) Offered :

Exercise Price per Share :
 \$ _____

Total Amount Payable for the Shares (exclusive
 of the relevant CDP charges) :
 \$ _____

I have read your Letter of Offer dated _____ (Date of Grant) and agree to be bound by the terms of the Letter of Offer and the Rules of the United Envirotech Employee Share Option Scheme referred to therein. Terms defined in the Letter of Offer shall have the same meanings and construction when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____. *I enclose a *cheque/cashier’s order/bank draft/postal order for S\$1.00 as consideration for the grant 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 acknowledge that the Option shall be exercisable at the relevant times, and in respect of that number of Shares specified, as set out in the Vesting Schedule (if any) attached to the Letter of Offer, and shall be subject to the performance criterion determined or to be determined by the Committee in accordance with Rule 11.8 of the Rules being met.

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

I confirm that the acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares or the Option.

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue or transfer of any Shares in CDP’s name, to the credit of my Securities Account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the “CDP charges”).

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer dated _____, this Acceptance Form and the Scheme (as the same may be from time to time amended) constitute the entire agreement between us relating to the offer.

I agree to maintain confidentiality with regards to all information relating to the grant of the Option to me.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

1. Shares must be accepted in full or in multiples of 1,000.
2. The Acceptance Form must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

THE UNITED ENVIROTECH EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

Serial _____ No. _____

Private and Confidential

To: The Committee
 United Envirotech Employee Share Option Scheme
 United Envirotech Ltd. (the “**Company**”)
 [Address]

Total number of ordinary shares in the capital of the Company (“**Shares**”) offered at \$ _____ per Share under the Scheme on _____ (Date of Grant) :

Number of Shares previously allotted and issued or transferred thereunder :

Outstanding balance of Shares to be allotted and issued or transferred thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your Letter of Offer dated _____ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares (in multiples of 1,000) at the Exercise Price of S\$ _____ per Share.

2. I hereby request the Company to allot and issue or transfer the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my Securities Account with CDP or my securities sub-account with a Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) in respect thereof:

*(a) Direct Securities Account Number :

or

*(b) Securities Sub-Account Number :

Name of Depository Agent _____ :

3. I enclose a *cheque/cashier's order/bank draft/postal order no. _____ of S\$_____ in payment for the subscription of the total number of the said Shares and *CDP charges of S\$_____.
4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the United Envirotech Employee Share Option Scheme (as the same may be from time to time amended) and the Memorandum and Articles of Association of the Company.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

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.
2. The Exercise Notice must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.