

# CIM Financial Services Ltd

## APPENDIX 1 - INFORMATION NOTE

### PRINCIPAL TERMS OF THE EMPLOYEE SHARE OPTIONS SCHEME TO BE SET UP BY CIM FINANCIAL SERVICES LTD

#### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION

For a full appreciation of this document, it should be read in its entirety. If you are in doubt about the action you should take, you should consult your financial adviser, your investment dealer or any other independent adviser immediately.

This document is not an invitation to the public to subscribe for shares in CIM Financial Services Ltd (“CFSL” or the “Company”). An application has been made for the listing of up to 16,999,998 ordinary shares (the “Shares”) on the Official Market of the Stock Exchange of Mauritius Limited (“SEM”) by way of block listing in terms of the Employee Share Options Scheme.

The SEM and the Listing Executive Committee assume no responsibility for the contents of this document, make no representation as to the accuracy or completeness of any of the statements made or opinions expressed therein and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this document.

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## **1 INTRODUCTION**

On 26 November 2021, the Board of directors of CFSL (the "Board") has approved the setting up of an Employee Share Options Scheme ("ESOS") for the employees of CFSL Group, subject to the approval of the relevant authorities and that of the shareholders of CFSL (the "Shareholders").

In line with the above, the SEM has approved the listing of up to 16,999,998 ordinary shares on the Official Market of the SEM by way of block listing in terms of the ESOS.

## **2 PURPOSE**

The objectives of the ESOS are as follows:

- Providing targeted incentives to staff;
- Aligning the objectives of staff members with those of the Shareholders;
- Encouraging the adoption of a team environment and business culture; and
- Increasing individual productivity.

Participating employees will thus have the opportunity to share in the growth and prosperity of CFSL.

## **3 ADMINISTRATION**

The ESOS will be administered by the Company in line with the terms of the present document. The Board shall be entitled to establish such rules and regulations as they deem necessary for the proper administration of the ESOS.

## **4 PARTICIPATION**

Employees of the CFSL Group shall be entitled to participate in the ESOS, whereby they will be offered the right to buy a certain number of shares at a fixed price and at some period of time in the future.

Employees eligible to participate in the ESOS ("Eligible Members") shall be defined by the Board.

## **5 SHARES AVAILABLE FOR THE ESOS**

The Board is allowed to issue an aggregate maximum number of up to 16,999,998 Shares under the ESOS, subject to a maximum of 5,666,666 Shares being issued in any given financial year under the ESOS.

In the event that the option entitlements exceed the above thresholds, the said option entitlements will be scaled down on a pro-rata basis.

Shares to be allocated in the context of the ESOS will be newly issued ordinary shares by the Company and will be listed on the SEM.

A copy of the present document has been filed with the Financial Services Commission.

## **6 TERMS OF THE ESOS**

All Eligible Members will be granted rights to subscribe for shares of the Company, at the exercise price. The individual share options will be communicated to each Eligible Member at the same time as the individual annual performance bonus is announced on or around November/December in any financial year.

The options shall vest over a three-year period in equal proportion. The options can be exercised through two specific windows (the 'Exercise Period') and shall be exercisable over a period of five years from vesting. Beyond this period, the option to subscribe to shares of the Company shall lapse. Any option available to an Eligible Member cannot be assigned or transferred. The exercise price will be equivalent to the Volume-Weighted Average Price of the shares of CFSL over the last three months (the "Exercise Price") prior to the announcement of the annual performance bonus (adjusted to reflect any change in capital structure), less a discount (the "Discount"), which shall not exceed 25%, as may be determined by the Board in any given financial year.

Upon exercising their options, in whole or in part, to acquire the Shares of the Company, the Eligible Member shall pay to the Company for the price of the Shares thus acquired.

The proposed ESOS will be implemented once approval of the Listing Executive Committee for the listing of the Shares and the approval of the Shareholders have been obtained. Participants who have acquired Shares through the ESOS will have their ordinary shares credited to their CDS accounts.

## 7 CESSATION OF EMPLOYMENT

In the event an employee ceases to be employed by CFSL, the employee retains the ownership of the shares already subscribed to. However, any share options which are not yet exercised at the date of the cessation of employment shall lapse within 60 days of such date.

## 8 RIGHTS ATTACHED TO THE SHARES ISSUED PURSUANT TO ESOS

The ordinary shares acquired pursuant to the ESOS will rank pari passu in all respects with existing ordinary shares issued, including for voting purposes and in full for all dividends and distributions on ordinary shares declared, made or paid after their issue and for any distributions made on a winding up of the Company. Each ordinary share acquired pursuant to the ESOS shall confer upon its holder the right to one vote on a poll at a meeting of the Company on any resolution.

## 9 EXERCISE PROCEDURES

Eligible Members will be granted options to subscribe into shares of the Company and the individual options will be communicated to each Eligible Member at the same time as the individual annual performance bonus is announced on or around November/December in any financial year.

## 10 TAXATION

Eligible Members will be wholly and solely liable for any tax liability that may arise from exercising their rights to subscribe to the shares of the Company under the ESOS.

TERM	DEFINITIONS
Board	The Board of Directors of CFSL
Company	CFSL
Discount	Discount to the Volume-Weighted Average Price of the shares of CFSL over the last three months prior to the announcement of the annual performance bonus as may be determined by the Board in any financial year
Eligible Members	Employees of CFSL Group as defined in Section 4
ESOS	Employee Share Options Scheme
Exercise Period	A period of 14 working days following the publication of the interim (6 months) and preliminary (12 months) reports of CFSL respectively.
CFSL Group	CFSL and its subsidiaries
Exercise Price	Volume-Weighted Average Price of the shares of CFSL over the last three months prior to the announcement of the annual performance bonus, as may be adjusted to reflect any change in capital structure, less "Discount").
CFSL	CIM Financial Services Ltd
SEM	Stock Exchange of Mauritius Limited
Shares	Ordinary shares of CFSL to be issued in the context of the ESOS
Shareholders	The shareholders of CFSL