

Further Information About Us

Our Incorporation

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on January 18, 2000. We have registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance with an address at Suite 3101, Everbright Center, 108 Gloucester Road, Wanchai, Hong Kong. Shiu Wing Yan has been appointed as our authorized representative for the acceptance of service of process and notices in Hong Kong.

As we were incorporated in the Cayman Islands, our corporate structure and Memorandum and Articles of Association are subject to the relevant laws and regulations of the Cayman Islands. A summary of the relevant laws and regulations of the Cayman Islands and of the Memorandum and Articles of Association is set out in “Summary of our Constitution and Cayman Companies Act” in Appendix III to this document.

Changes in Our Share Capital

As at December 31, 2020, after having accounted for the Share Subdivision, we had an authorized share capital of US\$43,520 divided into 66,000,000,000 Class A ordinary shares of a nominal or par value of US\$ 0.000000625 each, 2,832,000,000 Class B ordinary shares of a nominal or par value of US\$ 0.000000625 each, and 800,000,000 preferred shares of a nominal or par value of US\$ 0.000000625 each, and our issued share capital was 2,107,228,720 Class A ordinary shares and 571,900,320 Class B ordinary shares.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

The following tables set out the changes in the share capital, after having accounted for the Share Subdivision, of our Company during the periods presented in this document:

	Fiscal year ended December 31, 2018		
	Class A ordinary share	Class B ordinary share	Shareholders' Equity
Balances as at January 1, 2018	2,209,198,240	576,100,320	1,741
Issuance of Shares	26,070,320	—	16
Repurchase and/or retirement of Shares	(16,573,200)	—	(10)
Balances as at December 31, 2018	<u>2,218,695,360</u>	<u>576,100,320</u>	<u>1,747</u>
	Fiscal year ended December 31, 2019		
	Class A ordinary share	Class B ordinary share	Shareholders' Equity
Balances as at January 1, 2019	2,218,695,360	576,100,320	1,747
Issuance of Shares	24,997,040	—	16
Repurchase and/or retirement of Shares	(53,162,720)	—	(33)
Balances as at December 31, 2019	<u>2,190,529,680</u>	<u>576,100,320</u>	<u>1,730</u>
	Fiscal year ended December 31, 2020		
	Class A ordinary share	Class B ordinary share	Shareholders' Equity
Balances as at January 1, 2020	2,190,529,680	576,100,320	1,729
Issuance of Shares	38,595,040	—	24
Class A ordinary shares converted from Class B ordinary shares in relation to share-based award	4,200,000	(4,200,000)	—
Repurchase and/or retirement of Shares	(126,096,000)	—	(79)
Balances as at December 31, 2020	<u>2,107,228,720</u>	<u>571,900,320</u>	<u>1,674</u>

On March 1, 2021, our shareholders approved by ordinary resolution a subdivision on our share capital such that our authorized share capital became US\$43,520 divided into 66,000,000,000 class A ordinary shares with a par value of US\$0.000000625 each, 2,832,000,000 class B ordinary shares with a par value of US\$0.000000625 each and 800,000,000 preferred shares with a par value of US\$0.000000625 each.

Changes in the Share Capital of Our Significant Subsidiaries

The following alterations in the share capital of our Significant Subsidiaries have taken place within the two years immediately preceding the date of this document:

Baidu Holdings Limited

On August 15, 2019, 10 ordinary shares of a par value of US\$1.00 each in Baidu Holdings Limited were issued to the Company.

Baidu (Hong Kong) Limited

On August 8, 2019, the share capital of Baidu (Hong Kong) Limited was increased from US\$1 to US\$14,164,816 by allotment of 10 ordinary shares to Baidu Holdings Limited.

Baidu Netcom

On July 11, 2019, the registered capital of Baidu Netcom was increased from RMB6,421.28 million to RMB13,421.28 million.

Further Information About Our Business

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this document and are or may be material:

- (1) the amended and restated loan agreement dated July 10, 2019, entered into between Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司, “**Baidu Online**”) and Robin Yanhong Li (李彥宏) pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of RMB13,354,173,600 to Robin Yanhong Li (李彥宏) solely for the latter to fund the capitalization of Beijing Baidu Netcom Science Technology Co., Ltd. (北京百度網訊科技有限公司, “**Baidu Netcom**”);
- (2) the amended and restated exclusive equity purchase and transfer option agreement dated July 10, 2019, entered into among our Company, Baidu Netcom, Baidu Online and Robin Yanhong Li (李彥宏), pursuant to which Robin Yanhong Li (李彥宏) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Baidu Netcom for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (3) the amended and restated equity pledge agreement dated July 10, 2019, entered into between Baidu Online and Robin Yanhong Li (李彥宏), pursuant to which Robin Yanhong Li (李彥宏) has pledged all of his equity interests in Baidu Netcom to Baidu Online to guarantee his obligations under the amended and restated loan agreement dated July 10, 2019 and Baidu Netcom’s performance of its obligations under the exclusive technology consulting and service agreement;
- (4) the termination agreement of current control contracts dated August 20, 2019, entered into among our Company, Baidu Online, Baidu Netcom, Robin Yanhong Li (李彥宏) and Hailong Xiang (向海龍), pursuant to which Robin Yanhong Li (李彥宏) and Hailong Xiang (向海龍) acknowledged the termination of all control documents previously entered into with Baidu Online and Baidu Netcom;
- (5) the proxy agreement dated August 20, 2019, entered into between Shanshan Cui (崔珊珊) and our Company, pursuant to which Shanshan Cui (崔珊珊) agreed to entrust all the rights to exercise her voting power and any other rights as shareholders of Baidu Netcom to the person(s) designated by our Company;
- (6) the operating agreement dated August 20, 2019, entered into among Baidu Online, Baidu Netcom, Robin Yanhong Li (李彥宏) and Shanshan Cui (崔珊珊), pursuant to which Baidu Online has the rights to provide guidance and instructions on Baidu Netcom’s daily operations and financial affairs;
- (7) the loan agreement dated August 20, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊) pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of RMB67,106,400 to Shanshan Cui (崔珊珊) solely for the latter to fund the capitalization of Baidu Netcom;
- (8) the exclusive equity purchase and transfer option agreement dated August 20, 2019, entered into among our Company, Baidu Online, Shanshan Cui (崔珊珊) and Baidu Netcom, pursuant to which Shanshan Cui (崔珊珊) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- part of the equity interests in Baidu Netcom for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (9) the equity pledge agreement dated August 20, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) has pledged all of her equity interests in Baidu Netcom to Baidu Online to guarantee her obligations under the loan agreement dated August 20, 2019 and Baidu Netcom’s performance of its obligations under the exclusive technology consulting and service agreement;
- (10) the termination agreement dated October 30, 2019, entered into among Baidu Online, Beijing Perusal Technology Co., Ltd. (北京鼎鹿中原科技有限公司, “**Beijing Perusal**”), Zhixiang Liang (梁志祥), Lu Wang (王路) and our Company, pursuant to which Zhixiang Liang (梁志祥), Lu Wang (王路) acknowledged the termination of all control documents previously entered into with Baidu Online, Beijing Perusal and our Company;
- (11) the operating agreement dated October 30, 2019, entered into among Baidu Online, Beijing Perusal, Zhixiang Liang (梁志祥) and Shanshan Cui (崔珊珊), pursuant to which Baidu Online has the rights to provide guidance and instructions on Beijing Perusal’s daily operations and financial affairs and to appoint senior executives of Beijing Perusal, and Zhixiang Liang (梁志祥) and Shanshan Cui (崔珊珊) agreed to appoint candidates recommended by Baidu Online as their representatives on Beijing Perusal’s board of directors;
- (12) the loan agreement dated October 30, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of RMB1,598,440,000 to Shanshan Cui (崔珊珊), solely for the latter to use towards the investment in Beijing Perusal;
- (13) the proxy agreement dated October 30, 2019, entered into between our Company and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) agreed to entrust all the rights to exercise her voting power and any other rights as shareholders of Beijing Perusal to the person(s) designated by our Company;
- (14) the exclusive equity purchase and transfer option agreement dated October 30, 2019, entered into among our Company, Baidu Online, Shanshan Cui (崔珊珊) and Beijing Perusal, pursuant to which Shanshan Cui (崔珊珊) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Beijing Perusal for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (15) the equity pledge agreement dated October 30, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) has pledged all of her equity interests in Beijing Perusal to Baidu Online to guarantee her obligations under the loan agreement dated October 30, 2019 and Beijing Perusal’s performance of its obligations under the exclusive technology consulting and service agreement; and
- (16) the [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Summary of the Contractual Arrangements

As described in “History and Corporate Structure—Contractual Arrangements”, our Company or its Substantial Subsidiaries entered into the following contracts in relation to the contractual arrangements that are material to our Group:

Contractual Arrangements with Baidu Netcom

- (a) the exclusive technology consulting and services agreement dated March 22, 2005 and its supplemental agreement dated April 22, 2010 entered into between Baidu Online and Beijing Baidu Netcom, pursuant to which Baidu Online has the exclusive right to provide to Baidu Netcom technology consulting and services in return for service fees;
- (b) the software license agreement dated March 22, 2005 and its supplemental agreements dated March 11, 2010, April 22, 2010, January 30, 2011 and August 15, 2013 entered between Baidu Online and Baidu Netcom, pursuant to which Baidu Online has granted to Baidu Netcom the right to use a software license only in its own business operations in return for software license fees;
- (c) the web layout copyright license agreement dated March 1, 2004 and its supplemental agreements dated August 9, 2004, March 1, 2010, January 30, 2011 and August 15, 2013, entered into between Baidu Online and Baidu Netcom, pursuant to which Baidu Online has granted to Baidu Netcom the right to use a web layout copyright license only in its own business operations in return for license fees;
- (d) the proxy agreement dated March 31, 2018, entered into between Robin Yanhong Li (李彦宏) and our Company, pursuant to which Robin Yanhong Li (李彦宏) agreed to entrust all the rights to exercise his voting power and any other rights as shareholders of Baidu Netcom to the person(s) designated by our Company;
- (e) the amended and restated loan agreement dated July 10, 2019, entered into between Baidu Online and Robin Yanhong Li (李彦宏) pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of RMB13,354,173,600 to Robin Yanhong Li (李彦宏) solely for the latter to fund the capitalization of Baidu Netcom;
- (f) the amended and restated equity pledge agreement dated July 10, 2019, entered into between Baidu Online and Robin Yanhong Li (李彦宏), pursuant to which Robin Yanhong Li (李彦宏) has pledged all of his equity interests in Baidu Netcom to Baidu Online to guarantee his obligations under the amended and restated loan agreement dated July 10, 2019 and Baidu Netcom’s performance of its obligations under the exclusive technology consulting and service agreement;
- (g) the amended and restated exclusive equity purchase and transfer option agreement dated July 10, 2019, entered into among our Company, Baidu Netcom, Baidu Online and Robin Yanhong Li (李彦宏), pursuant to which Robin Yanhong Li (李彦宏) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Baidu Netcom for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (h) the proxy agreement dated August 20, 2019, entered into between Shanshan Cui (崔珊珊) and our Company, pursuant to which Shanshan Cui (崔珊珊) agreed to entrust all the rights to exercise her voting power and any other rights as shareholders of Baidu Netcom to the person(s) designated by our Company;
- (i) the loan agreement dated August 20, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊) pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

RMB67,106,400 to Shanshan Cui (崔珊珊) solely for the latter to fund the capitalization of Baidu Netcom;

- (j) the equity pledge agreement dated August 20, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) has pledged all of her equity interests in Baidu Netcom to Baidu Online to guarantee her obligations under the loan agreement dated August 20, 2019 and Baidu Netcom’s performance of its obligations under the exclusive technology consulting and service agreement;
- (k) the exclusive equity purchase and transfer option agreement dated August 20, 2019, entered into among our Company, Baidu Online, Shanshan Cui (崔珊珊) and Baidu Netcom, pursuant to which Shanshan Cui (崔珊珊) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Baidu Netcom for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (l) the operating agreement dated August 20, 2019, entered into among Baidu Online, Baidu Netcom, Robin Yanhong Li (李彦宏) and Shanshan Cui (崔珊珊), pursuant to which Baidu Online has the rights to provide guidance and instructions on Baidu Netcom’s daily operations and financial affairs;
- (m) the irrevocable power of attorney dated August 20, 2019, issued by Robin Yanhong Li (李彦宏), pursuant to which Robin Yanhong Li (李彦宏), as an individual shareholder of Baidu Netcom, has appointed Shanshan Cui (崔珊珊) as designated by our Company as his attorney-in-fact to vote on his behalf on all matters requiring shareholder approval; and
- (n) the irrevocable power of attorney dated August 20, 2019, issued by Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊), as an individual shareholder of Baidu Netcom, has appointed Shanshan Cui (崔珊珊) as designated by our Company as her attorney-in-fact to vote on her behalf on all matters requiring shareholder approval.

Contractual Arrangements with Beijing Perusal

- (a) the exclusive technology consulting and services agreement dated June 23, 2006 and its supplemental agreement dated April 22, 2010, entered into between Baidu Online and Beijing Perusal, pursuant to which Baidu Online has the exclusive right to provide to Beijing Perusal technology consulting and services in return for service fees;
- (b) the web layout copyright license agreement dated June 23, 2006 and its supplemental agreement dated August 15, 2013, entered into between Baidu Online and Beijing Perusal, pursuant to which Baidu Online has granted to Beijing Perusal the right to use a web layout copyright license only in its own business operations in return for license fees;
- (c) the amended and restated equity pledge agreement dated June 20, 2016, entered into between Baidu Online and Zhixiang Liang (梁志祥), pursuant to which Zhixiang Liang (梁志祥) has pledged all of his equity interests in Beijing Perusal to Baidu Online to guarantee his obligations under the amended and restated loan agreement and Beijing Perusal’s performance of its obligations under the exclusive technology consulting and service agreement;
- (d) the loan agreement dated March 31, 2018, entered into between Baidu Online and Zhixiang Liang (梁志祥), pursuant to which Baidu Online agreed to provide a loan to Zhixiang Liang (梁志祥), in an aggregate amount of RMB1,598,440,000, solely for the use towards the investment in Beijing Perusal;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (e) the proxy agreement dated March 31, 2018, entered into between our Company and Zhixiang Liang (梁志祥), pursuant to which Zhixiang Liang (梁志祥) agreed to entrust all the rights to exercise his voting power and any other rights as a shareholder of Beijing Perusal to the person(s) designated by our Company;
- (f) the irrevocable power of attorney dated October 30, 2019, issued by Zhixiang Liang (梁志祥), pursuant to which Zhixiang Liang (梁志祥), as an individual shareholder of Beijing Perusal, has appointed Shanshan Cui (崔珊珊) as designated by our Company as his attorney-in-fact to vote on his behalf on all matters requiring shareholder approval;
- (g) the exclusive equity purchase and transfer option agreement dated March 31, 2018, entered into among our Company, Baidu Online, Zhixiang Liang (梁志祥) and Beijing Perusal, pursuant to which Zhixiang Liang (梁志祥) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Beijing Perusal for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;
- (h) the loan agreement dated October 30, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Baidu Online agreed to provide a loan in an aggregate amount of RMB1,598,440,000 to Shanshan Cui (崔珊珊), solely for the latter to use towards the investment in Beijing Perusal;
- (i) the equity pledge agreement dated October 30, 2019, entered into between Baidu Online and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) has pledged all of her equity interests in Beijing Perusal to Baidu Online to guarantee her obligations under the loan agreement dated October 30, 2019 and Beijing Perusal’s performance of its obligations under the exclusive technology consulting and service agreement.
- (j) the proxy agreement dated October 30, 2019, entered into between our Company and Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊) agreed to entrust all the rights to exercise her voting power and any other rights as shareholders of Beijing Perusal to the person(s) designated by our Company;
- (k) the irrevocable power of attorney dated October 30, 2019, issued by Shanshan Cui (崔珊珊), pursuant to which Shanshan Cui (崔珊珊), as an individual shareholder of Beijing Perusal, has appointed Shanshan Cui (崔珊珊) as designated by our Company as her attorney-in-fact to vote on her behalf on all matters requiring shareholder approval;
- (l) the exclusive equity purchase and transfer option agreement dated October 30, 2019, entered into among our Company, Baidu Online, Shanshan Cui (崔珊珊) and Beijing Perusal, pursuant to which Shanshan Cui (崔珊珊) has irrevocably granted our Company, an option to purchase, or to cause any one or more designated persons to purchase, to the extent permitted under PRC law, all or part of the equity interests in Beijing Perusal for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law; and
- (m) the operating agreement dated October 30, 2019, entered into among Baidu Online, Beijing Perusal, Zhixiang Liang (梁志祥) and Shanshan Cui (崔珊珊), pursuant to which Baidu Online has the rights to provide guidance and instructions on Beijing Perusal’s daily operations and financial affairs and to appoint senior executives of Beijing Perusal, and Zhixiang Liang (梁志祥) and Shanshan Cui (崔珊珊) agreed to appoint candidates recommended by Baidu Online as their representatives on Beijing Perusal’s board of directors;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Contractual Arrangements with Beijing iQIYI

- (a) the business cooperation agreement dated December 1, 2011, entered into between Beijing QIYI Century and Beijing iQIYI, pursuant to which Beijing iQIYI agrees to provide Beijing QIYI Century with services, including internet information services, online advertising and other services reasonably necessary within the scope of Beijing QIYI Century’s business;
- (b) the exclusive technology consulting and services agreement dated December 1, 2011, entered into between Beijing QIYI Century and Beijing iQIYI, pursuant to which Beijing QIYI Century has the exclusive right to provide to Beijing iQIYI specified technology consulting and services in return for service fees;
- (c) the trademark license agreement dated December 1, 2011, entered into between Beijing QIYI Century and Beijing iQIYI, pursuant to which Beijing QIYI Century has granted to Beijing iQIYI the right to use its trademarks only in its own business operations in return for license fees;
- (d) the software usage license agreement dated December 1, 2011, entered into between Beijing QIYI Century and Beijing iQIYI, pursuant to which Beijing QIYI Century has granted to Beijing iQIYI the right to use its software only in its own business operations in return for license fees;
- (e) the amended and restated loan agreement dated January 30, 2013, entered into between Beijing QIYI Century and Xiaohua Geng (耿曉華), pursuant to which Beijing QIYI Century agreed to provide loans to Xiaohua Geng (耿曉華), in an aggregate amount of RMB27 million, solely for the latter to use towards the investment in Beijing iQIYI;
- (f) the amended and restated shareholder voting rights trust agreement dated January 30, 2013, entered into between Beijing QIYI Century and Xiaohua Geng (耿曉華), pursuant to which Xiaohua Geng (耿曉華) agreed to entrust all the rights to exercise his voting power and any other rights as shareholders of Beijing iQIYI to the person(s) designated by Beijing QIYI Century;
- (g) the amended and restated business operation agreement dated January 30, 2013, entered into among Beijing QIYI Century, Beijing iQIYI and Xiaohua Geng (耿曉華), pursuant to which Beijing QIYI Century agrees to provide Beijing iQIYI with performance guarantees with respect to any contracts, agreements and transactions Beijing iQIYI entered into in connection with its business;
- (h) the commitment letter dated January 30, 2013, issued by iQIYI and Beijing QIYI Century, pursuant to which iQIYI and Beijing QIYI Century undertook to provide financial support to Beijing iQIYI for any financial loss that might affect its business operation occurred as permitted by relevant laws;
- (i) the amended and restated equity pledge agreement dated January 30, 2013, entered into between Beijing QIYI Century and Xiaohua Geng (耿曉華), pursuant to which Xiaohua Geng (耿曉華) has pledged all of his equity interests in Beijing iQIYI to Beijing QIYI Century to guarantee his obligations under the amended and restated loan agreement and Beijing iQIYI’s performance of its obligations under the amended and restated exclusive technology consulting and services agreement;
- (j) the amended and restated exclusive purchase option agreement dated January 30, 2013, entered into among iQIYI, Beijing QIYI Century, Beijing iQIYI, and Xiaohua Geng (耿曉華), pursuant to which Xiaohua Geng (耿曉華) has irrevocably granted iQIYI or its designee, an exclusive option to purchase at its discretion, to the extent permitted under PRC law, all or part of the equity interests in Beijing iQIYI for the cost of the initial contributions to the registered capital or the minimum amount of consideration permitted by applicable PRC law;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (k) the irrevocable power of attorney dated January 30, 2013, issued by Beijing QIYI Century, pursuant to which iQIYI may exercise all shareholder rights during the term of the amended and restated shareholder voting rights trust agreement and may transfer such rights to a designated third party without written notice to Beijing QIYI Century; and
- (l) the spousal consent letter dated September 26, 2016, issued by the spouse of Xiaohua Geng (耿曉華), pursuant to which the spouse of Xiaohua Geng (耿曉華) committed not to impose any adverse assertions upon the validity of such contractual arrangements based on the existence or termination of the marital relationship with the relevant shareholder, or exert any impediment or adverse influence over the relevant shareholder’s performance of any contractual arrangements or claim rights on Beijing iQIYI.

For further details of the above, please see copies of the contractual arrangements, which are published on our website (<http://ir.baidu.com/>) pursuant to the Hong Kong Stock Exchange’s Guidance Letter HKEX-GL94-18 and Listing Decision HKEX-LD43-3.

Our Intellectual Property Rights

We rely on a combination of patent, trademark, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property and our brand. As of December 31, 2020, we have over 7,800 issued patents in China covering invention, utility model and design, and intend to apply for more patents to protect our core technologies and intellectual property. We also enter into confidentiality, non-compete and invention assignment agreements with our employees and consultants, and nondisclosure agreements with selected third parties. “百度,” our company’s name “Baidu” in Chinese, has been recognized as a well-known trademark in China by the Trademark Office of National Intellectual Property Administration under the State Administration for Market Regulation.

In addition to owning “百度,” and the related logos, we have applied for registration of various other trademarks. We also have registered certain trademarks in the United States, Australia, Brazil, Canada, Hong Kong, India, Indonesia, Japan, Malaysia, Mexico, New Zealand, Russia, Singapore, South Africa, South Korea, Thailand, the European Union and several other jurisdictions. In addition, we have registered our domain name *baidu.com* and certain other domain names with authorized registrars of ICANN (Internet Corporation for Assigned Names and Numbers). We have also successfully become designated Registry Operator for *.baidu* top-level domain names by ICANN.

Further Information About Directors and Executive Officers

Disclosure of Interests

See “Major Shareholders” for disclosure of interests of directors and executive officers.

Directors’ Service Contracts

We have entered into employment agreements with each of our directors who is also an officer. See “Directors and Senior Management—Compensation—Employment Agreements and Indemnification Agreements.”

Directors’ Remuneration

See “Directors and Senior Management—Compensation” for a discussion of Directors’ remuneration.

Disclosures relating to Directors and Experts

Save as may be disclosed in “Directors and senior management” this document:

- None of our directors nor any of the persons listed in “—Other Information—Qualification of Experts” below is materially interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to our subsidiaries and our consolidated affiliated entities, or are proposed to be acquired or disposed of by or leased to our subsidiaries and our consolidated affiliated entities.
- None of our directors nor any of the persons listed in “—Other Information—Qualification of Experts” below is materially interested in any contract or arrangement with us subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to our business as a whole.
- None of the persons listed in “—Other Information—Qualification of Experts” below has any shareholding in us or any of our Significant Subsidiaries or has the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in us or any of our Significant Subsidiaries.

Share Incentive Plans of the Company

See “Directors and Senior Management—Compensation” for details about our Share Incentive Plans.

Share Incentive Plans of iQIYI

One of our Significant Subsidiaries, iQIYI, adopted two employee share incentive plans, one adopted on October 18, 2010 and amended and restated on November 3, 2014, August 6, 2016 and September 15, 2020 (the “**2010 iQIYI Plan**”), and the other adopted on November 30, 2017 and amended on December 7, 2017 (the “**2017 iQIYI Plan**”).

The 2010 iQIYI Plan

The purpose of the 2010 iQIYI Plan is to grant share based compensation awards either through a proprietary interest in iQIYI’s long-term success, or compensation based on fulfilling certain performance goals to employees, officers, directors and consultants to incentivize their performance and promote the success of iQIYI’s business. The maximum aggregate number of number of shares which may be issued pursuant to all awards granted under the 2010 iQIYI Plan is 589,729,714 shares. As of February 28, 2021, options to purchase a total of 413,376,684 ordinary shares were outstanding under the 2010 iQIYI Plan.

We summarize the key terms of the 2010 iQIYI Plan below:

- Types of Awards.** The 2010 iQIYI Plan permits the awards of options, share appreciation rights, share grants and restricted share units.
- Plan Administration.** A committee consisting of at least two individuals determined by iQIYI’s board acts as the plan administrator. The plan administrator will determine the participants who are to receive awards, the number of awards to be granted, and the terms and conditions of each award grant. The plan administrator can amend outstanding awards and interpret the terms of the 2010 iQIYI Plan and any award agreement.
- Award Agreement.** Options to purchase ordinary shares granted under the 2010 iQIYI Plan are evidenced by an award agreement that sets forth the terms and conditions for each grant.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (d) **Exercise Price.** The exercise price of an option or a share appreciation right will be determined by the plan administrator, but shall not be less than the fair market value on the grant date of the respective option or share appreciation right. In certain circumstances, such as a recapitalization, a spin-off, reorganization, merger, separation and split-up, the plan administrator may adjust the exercise price of outstanding options and share appreciation rights.
- (e) **Eligibility.** iQIYI may grant awards to its employees, directors or consultants or employees, directors or consultants or its affiliates.
- (f) **Term of the Awards.** The term of each option or share appreciation right granted under the 2010 iQIYI Plan shall not exceed ten years from date of the grant, unless otherwise determined by the board of directors of iQIYI.
- (g) **Vesting Schedule.** In general, the plan administrator determines the vesting schedule, which is set forth in the award agreement.
- (h) **Acceleration of Awards upon Change in Control.** The plan administrator may determine, at the time of grant or thereafter, that an award shall become vested and exercisable, in full or in part, in the event that a change in control of iQIYI occurs.
- (i) **Transfer Restrictions.** Awards may not be transferred in any manner by the recipient other than by will or the laws of descent and distribution, except as otherwise provided by the plan administrator.
- (j) **Termination.** The plan shall terminate on October 17, 2030 provided that iQIYI's board may terminate the plan at any time and for any reason.

The 2017 iQIYI Plan

The purpose of the 2017 iQIYI Plan is to promote the success and enhance the value of iQIYI, by linking the personal interests of the members of iQIYI's board, employees, consultants and other individuals to those of iQIYI's shareholders and, by providing an incentive for outstanding performance, to generate superior returns for iQIYI's shareholders. The maximum aggregate number of number of shares which may be issued pursuant to all awards granted under the 2017 iQIYI Plan is 720,000 ordinary shares, all of which have been granted. As of February 28, 2021, 143,125 restricted share units were outstanding under the 2017 iQIYI Plan.

We summarize the key terms of the 2017 iQIYI Plan below:

- (a) **Types of Awards.** The 2017 iQIYI Plan permits the awards of options, restricted shares and restricted share units.
- (b) **Plan Administration.** A committee of one or more members of iQIYI's board acts as the plan administrator. The plan administrator will determine the participants who are to receive awards, the type or types of awards to be granted, the number of awards to be granted, and the terms and conditions of each award grant. The plan administrator can amend outstanding awards and interpret the terms of the 2017 iQIYI Plan and any award agreement.
- (c) **Award Agreement.** Awards granted under the 2017 iQIYI Plan are evidenced by an award agreement that sets forth the terms and conditions for each grant.
- (d) **Exercise Price.** The exercise price of an option or a share appreciation right will be determined by the plan administrator, but shall not be less than the fair market value on the grant date of the respective option or share appreciation right. In certain circumstances, such as a recapitalization, a spin-off, reorganization, merger, separation and split-up, the plan administrator may adjust the exercise price of outstanding options and share appreciation rights.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (e) **Eligibility.** iQIYI may grant awards to its employees, consultants, and all members of the board, and other individuals.
- (f) **Term of the Awards.** The term of each option or share appreciation right granted under the 2017 iQIYI Plan shall not exceed ten years from date of the grant.
- (g) **Vesting Schedule.** In general, the plan administrator determines the vesting schedule, which is set forth in the relevant award agreement.
- (h) **Transfer Restrictions.** Awards may not be transferred in any manner by the recipient other than by will or the laws of descent and distribution, except as otherwise provided by the plan administrator.
- (i) **Termination.** The plan shall terminate on November 29, 2027, provided that iQIYI’s board may terminate the plan at any time and for any reason.

The following table summarizes, as of February 28, 2021, the outstanding options and restricted share units that iQIYI granted to iQIYI’s directors and executive officers:

	Class A ordinary shares underlying options and restricted share units awarded	Exercise price (US\$/Share)	Date of grant	Date of expiration
Yu Gong	146,000,116	0.25 to 0.51	Various dates from 2010/10/18 to 2020/10/16	Various dates from 2024/12/15 to 2030/10/18
Haifeng Wang	* (1)	N/A	N/A	N/A
Dou Shen	* (1)	N/A	N/A	N/A
Xiaodong Wang	*	0.51	Various dates from 2015/2/23 to 2020/10/16	Various dates from 2025/2/23 to 2030/10/16
Xiaohui Wang	*	0.51	Various dates from 2016/8/5 to 2020/10/16	Various dates from 2026/8/5 to 2030/10/16
Xiangjun Wang	*	0.25 to 0.51	Various dates from 2010/10/18 to 2020/10/16	Various dates from 2020/10/18 to 2030/10/16
Xianghua Yang	*	0.25 to 0.51	Various dates from 2010/10/18 to 2020/10/16	Various dates from 2020/10/18 to 2030/10/16
Youqiao Duan	*	0.25 to 0.51	Various dates from 2012/5/8 to 2020/4/1	Various dates from 2022/5/8 to 2030/4/1
Wenfeng Liu	*	0.30 to 0.51	Various dates from 2014/12/5 to 2020/10/16	Various dates from 2024/12/5 to 2030/10/16
Total	<u>218,639,807</u>			

Notes:

* The aggregate number of ordinary shares exercisable from all options granted is less than 1% of iQIYI’s total issued and outstanding ordinary shares.

(1) In the form of restricted share units

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Other Information

Estate duty

Our directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

See “Business—Legal Proceedings” for further information.

Joint Sponsors

The Joint Sponsors made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the [REDACTED] (including the additional Shares which may be issued pursuant to the exercise of the [REDACTED]), and the Shares to be issued pursuant to the Share Incentive Plans, including pursuant to the exercise of options or other awards that have been or may be granted from time to time. All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED].

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Hong Kong Listing Rules.

The fee payable to each of the Joint Sponsors is US\$[REDACTED] and is payable by our Company.

No Material Adverse Change

Our directors confirm that except as disclosed in “—Impact of COVID-19 On Our Operations” and elsewhere in this document, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2020, and there has been no event since December 31, 2020 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix IA to this document.

Qualification of Experts

The following are the qualifications of the experts (as defined under the Hong Kong Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

<u>Name</u>	<u>Qualification</u>
Merrill Lynch (Asia Pacific) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
CLSA Capital Markets Limited	A licensed corporation under the SFO for type 4 (advising on securities) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

<u>Name</u>	<u>Qualification</u>
Ernst & Young	Certified public accountants and Registered Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588)
China Insights Consultancy Limited	Industry consultant
King & Wood Mallesons	Legal adviser to Company as to PRC law
Maples and Calder (Hong Kong) LLP	Legal adviser to Company as to Cayman Islands law

Consents of Experts

Each of the experts above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

Preliminary Expenses

Our Company did not incur any material preliminary expenses.

Promoter

Our Company has no promoter for the purpose of the Hong Kong Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

Bilingual Document

[REDACTED]

Miscellaneous

- Save as disclosed in “Financial information”, “Directors and senior management” or this appendix in this document or otherwise waived or exempted from disclosure pursuant to the waivers and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

exemptions disclosed in “Waivers and Exemptions”, within the two years immediately preceding the date of this document:

- to the best of our knowledge, neither we nor any of our Significant Subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
- no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any share capital or debentures of our Company or any of our Significant Subsidiaries;
- no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued; and
- there is no arrangement under which future dividends are waived or agreed to be waived.
- Our branch register of members will be maintained in Hong Kong by our [REDACTED]. Unless the directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by our share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to [REDACTED].
- Our directors confirm that:
 - there has not been any interruption in our business which may have or have had a material adverse effect on our financial position in the 12 months immediately preceding the date of this document; and
 - save as otherwise disclosed in “Financial Information—Liquidity and Capital Resources”, we and our Significant Subsidiaries have no outstanding debentures or convertible debt securities.
- The English version of this document shall prevail over the Chinese version.