

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

The following table sets forth information regarding our directors and senior management:

| Name ⁽¹⁾ | Age | Position/Title | Date of appointment | Year of joining our Group |
|------------------------------|-----|---|---------------------|---------------------------|
| James Jianzhang Liang . . . | 51 | Co-founder; Executive Chairman of the Board | March 2000 | 1999 |
| Min Fan | 55 | Co-founder; Vice Chairman of the Board and President | October 2006 | 1999 |
| Jane Jie Sun | 52 | Chief Executive Officer and Director | November 2016 | 2005 |
| Robin Yanhong Li | 52 | Director | October 2015 | 2015 |
| Dou Shen | 41 | Director | October 2019 | 2019 |
| Neil Nanpeng Shen | 53 | Co-founder; Independent Director ⁽²⁾ | March 2000 | 1999 |
| Qi Ji | 54 | Co-founder; Independent Director ⁽²⁾ | March 2000 | 1999 |
| Gabriel Li | 53 | Vice Chairman of the Board, Independent Director ⁽²⁾ | March 2000 | 2000 |
| JP Gan | 49 | Independent Director ⁽²⁾ | April 2002 | 2002 |
| Cindy Xiaofan Wang | 45 | Chief Financial Officer and Executive Vice President | November 2013 | 2001 |

Notes:

- (1) Our board consists of nine directors, including four independent directors. See “—Board Practices” for the functions and duties of our board. Our board is responsible for exercising other powers, functions and duties in accordance with the Articles of Association, and all applicable laws, including the Hong Kong Listing Rules.
- (2) Our independent directors under applicable U.S. regulations are also independent non-executive directors for the purpose of the Hong Kong Listing Rules. We have determined that all of JP Gan, Gabriel Li and Neil Nanpeng Shen qualify as an “audit committee financial expert” under the applicable rules of the SEC and has the appropriate professional accounting or financial management experience.

Pursuant to the currently effective Articles of Association of our Company, our board of directors consists of nine directors, including without limitation: (i) three directors appointed by our co-founders consisting of Messrs. James Jianzhang Liang, Neil Nanpeng Shen, Qi Ji, and Min Fan, subject to the approval of a majority of our independent directors; and (ii) one director who is the current chief executive officer of our Company. Each of our directors will hold office until such director’s successor is elected and duly qualified, or until such director’s earlier death, bankruptcy, insanity, resignation or removal. There are no family relationships among any of the directors or executive officers of our Company.

Save as disclosed below in this document, none of our directors held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this document and there are no family relationships among any of the directors or executive officers of our Company. See “Major Shareholders” for disclosure of interests of the directors and executive officers. Save as disclosed in this document, there is no material matter relating to our directors that needs to be brought to the attention of our shareholders and the information of our directors disclosed in this document complies with the requirements under Rule 13.51(2) of the Hong Kong Listing Rules in all material respects.

BIOGRAPHIES

James Jianzhang Liang (梁建章) is one of the co-founders and the executive chairman of our Company. He has served as a member of our board of directors since our inception and has been the chairman of the board since August 2003. Mr. Liang served as our chief executive officer from 2000 to 2006, and from March 2013 to November 2016. Mr. Liang has served as a director of Sina Corporation (Nasdaq: SINA, delisted, privatized in March 2021) since December 2017, a director of MakeMyTrip Limited (Nasdaq: MMYT) since January 2016, a director of BTG Hotels Group (SSE:600258) since January 2017, and a director of Tongcheng-eLong (SEHK: 780) since 2016. Mr. Liang formerly served

DIRECTORS AND SENIOR MANAGEMENT

on the boards of Tuniu Corporation (Nasdaq: TOUR), eHi Car Services Limited (NYSE: EHIC, delisted, privatized in April 2019), 51job, Inc (Nasdaq: JOBS), Jiayuan.com International Ltd. (Nasdaq: DATE, delisted, privatized in May 2016), and Homeinns Hotel Group (Nasdaq: HMIN, delisted, privatized in April 2016). Mr. Liang has won many accolades for his contributions to the Chinese travel industry, including Best CEO in the Internet category in the 2016 All-Asia Executive Team Rankings by Institutional Investor and 2015 China’s Business Leader of the Year by Forbes. Mr. Liang obtained master’s degrees in information and computer science from Georgia Institute of Technology in the United States in June 1991.

Min Fan (范敏) is one of the co-founders of our Company. Mr. Fan has been a member of our board of directors since October 2006 and has served as the vice chairman of our board of directors since March 2013. Mr. Fan has served as our president since February 2009. He also served as our chief executive officer from January 2006 to March 2013, as our chief operating officer from November 2004 to January 2006, and as our executive vice president from 2000 to November 2004. During his tenure as our chief executive officer, Mr. Fan was named one of the Top 10 Pioneer Leaders of the Year on the 2010 APEC China SME Value List, 2008 EY Entrepreneur of the Year (Services Category) and 2007 Best New Economic Figure of the Year. In 2009 and 2016, Mr. Fan was elected Vice Chairman of the Board of the China Tourism Association. Mr. Fan has served as an independent director of Leju Holdings Limited (NYSE: LEJU) since April 2014. He served as a director of Huazhu Group Limited (Nasdaq: HTHT, SEHK: 1179) from March 2010 to January 2018. Mr. Fan obtained his Master’s and Bachelor’s degrees in industrial engineering and management from Shanghai Jiao Tong University in January 1990 and July 1987, respectively.

Jane Jie Sun (孫潔) has served as the chief executive officer of our Company, as well as a member of the board of directors, since November 2016. Prior to that, she was a co-president since March 2015, chief operating officer since May 2012, and chief financial officer from 2005 to 2012. Ms. Sun is vice chair of the World Travel and Tourism Council, co-chair of the Development Advisory Board of University of Michigan and Shanghai Jiao Tong University Joint Institute, and a board member and Business Leaders Group Committee member of Business China established by Singapore’s Founding Prime Minister Mr. Lee Kuan Yew. In 2019, Ms. Sun was awarded an Asia Society Asia Game Changer Award. Forbes named her one of the Emergent 25 Asia’s Latest Star Businesswomen in 2018, and one of the Top 100 Businesswomen in China in 2017. She was also one of Fortune’s Top 50 Most Powerful Women in Business, and one of Fast Company’s Most Creative People in Business in 2017. During her tenure at our Group, she also won the Institutional Investor Awards for the Best CEO in July 2017 and the Best CFO in July 2011 and 2012. Ms. Sun received her Bachelor’s degree in science in accounting from the Fisher School of Accounting at the University of Florida in August 1992 with high honors. She also obtained her LL.M. degree from Peking University Law School in July 2010. Ms. Sun has been a director of TripAdvisor, Inc. (Nasdaq: TRIP) since July 2020, a director of MakeMyTrip Limited (Nasdaq: MMYT) since August 2019, an independent director of iQIYI, Inc. (Nasdaq: IQ) since June 2018, and an independent director of TAL Education Group (NYSE: TAL) since October 2010.

Robin Yanhong Li (李彦宏), has served as our director since October 2015. He is a co-founder of Baidu, Inc. (Nasdaq: BIDU, SEHK: 9888), the leading Chinese language Internet search provider. Mr. Li has served as the chairman of the board of directors of Baidu since its inception in January 2000 and as its chief executive officer since February 2004. He served as the president of Baidu from February 2000 to December 2003. Currently, Mr. Li acts as the vice president of the Internet Society of China (ISC). Mr. Li has also been a vice president of All-China Chamber of Industry & Commerce since 2012. Mr. Li has served as an independent director of New Oriental Education & Technology Group Inc. (Nasdaq: EDU; SEHK: 9901) since September 2006. He has also been chairman since 2009 and director of iQIYI, Inc. (Nasdaq: IQ) since 2009. Mr. Li received a bachelor’s degree in information

DIRECTORS AND SENIOR MANAGEMENT

science from Peking University and a master’s degree in computer science from the State University of New York at Buffalo.

Dou Shen (沈抖) has served as our director since October 2019. Dr. Shen has served as an executive vice president of Baidu, Inc. (Nasdaq: BIDU, SEHK: 9888) since May 2019. Dr. Shen has also been a director of Beijing Xiaodu Interactive Entertainment Technology Co., Ltd. since January 2018, and the chairman of Beijing Xiaodu Interactive Entertainment Technology Co., Ltd. since September 2020. Previously, Dr. Shen served as senior vice president of Baidu, Inc., overseeing the businesses related to Baidu App, Haokan short video app and Smart Mini Program. Dr. Shen joined Baidu in 2012 and has served in management roles in business lines, including web search, advertising display and the financial services group. Prior to joining Baidu, Dr. Shen worked at Microsoft and co-founded BuzzLabs, Inc., a company engaged in social media monitoring and analysis, which was subsequently acquired by CityGrid Media. Dr. Shen holds directorships at various other companies. Dr. Shen has been a director of iQIYI, Inc. (Nasdaq: IQ) since September 2019, has been a director of Kuaishou Technology (SEHK: 1024) since April 2018 and was previously a director of Uxin Limited (Nasdaq: UXIN) from May 2018 to November 2019. Dr. Shen received his bachelor’s degree in information engineering (computer technology) from North China Electric Power University in Beijing, the PRC, in June 2001, a master’s degree in computer science and technology from Tsinghua University in Beijing, the PRC, in July 2004, and a Ph.D. degree in computer science from the Hong Kong University of Science and Technology in Hong Kong in November 2007. Dr. Shen was awarded by Beijing Overseas Talent Service Joint Council as “Beijing High-Caliber Talent from Overseas” and “Beijing Distinguished Expert” in July 2014. Dr. Shen was also acknowledged by Beijing Senior Specialized Technique Qualification Evaluation Committee as a senior engineer in computer technology in May 2018.

Neil Nanpeng Shen (沈南鹏) is one of the co-founders of our Company and has been our Company’s director since our inception and an independent director since October 2008. Neil Nanpeng Shen founded Sequoia Capital China in 2005 and has been serving as the founding managing partner since then. Mr. Shen served as our president from August 2003 to October 2005 and as chief financial officer from 2000 to October 2005. Mr. Shen also co-founded and served as co-chairman of Homeinns Hotel Group (formerly Home Inns & Hotels Management Inc.) (Nasdaq: HMIN, delisted), a leading economy hotel chain in China, which commenced operations in 2002. Currently, Mr. Shen also serves as a director of a number of public and private companies, including a director of BTG Hotels Group (SHSE: 600258) since January 2017, a director of Noah Holdings Limited (NYSE: NOAH) since January 2016, an independent director of Pinduoduo Inc. (Nasdaq: PDD) since April 2018, a non-executive director of Meituan (formerly Meituan Dianping) (SEHK: 3690) since October 2015, and a director of Ninebot Limited (SSE: 689009) since July 2015. Mr. Shen was a director of FinVolution Group (formerly PPD AI Group Inc.) (NYSE: FINV) from February 2017 to August 2018, as a director from May 2014 to December 2015 and independent director from December 2015 to December 2018 for Momo Inc. (NASDAQ: MOMO), a director of 360 Security Technology Inc. (SSE: 601360) from February 2018 to May 2020, and a non-executive director of China Renaissance Holdings Limited (SEHK: 1911) from June 2018 to June 2020. Mr. Shen received his Master’s degree from Yale University in November 1992 and his Bachelor’s degree in applied mathematics from Shanghai Jiao Tong University in July 1988.

Qi Ji (季琦) is one of the co-founders of our Company. He has served as our director since our inception and as an independent director since 2008. He was the chief executive officer and president of our Company from 1999 to 2001. Mr. Ji founded Huazhu Group Limited (Nasdaq: HTHT; SEHK: 1179), served as its director since February 2007. He has also served as the executive chairman of its board since August 2009 and its chief executive officer since November 2019. Prior to his current role, he also served at Huazhu Group Limited as chief executive officer from January 2012 to May 2015 and

DIRECTORS AND SENIOR MANAGEMENT

from 2007 to August 2009. Mr. Ji has over 20 years of experience in the hospitality industry. He co-founded Homeinns Hotel Group (formerly Home Inns & Hotels Management Inc.) (Nasdaq: HMIN, delisted), and served as its chief executive officer from 2002 to January 2005. He received his bachelor degree in engineering mechanics and master degree in mechanical engineering from Shanghai Jiao Tong University in the PRC in 1989 and February 1992, respectively.

Gabriel Li (李基培) has served at different times on our board of directors since March 2000. Mr. Li has been vice chairman of our board since August 2003 and an independent director since October 2003. Mr. Li has been serving as the managing partner and a member of the investment committee of Orchid Asia Group Management Limited since August 2004. Mr. Li is a non-executive director of Qeeka Home (Cayman) Inc. (SEHK: 1739), where he has been a director since April 2015, and was a director of Sangfor Technologies Inc. (SZSE: 300454) from January 2017 to December 2019. Mr. Li graduated from the University of California in Berkeley, the United States, with a bachelor’s degree in chemical engineering in May 1990. He received his master of science degree in chemical engineering practice from the Massachusetts Institute of Technology in the United States in September 1991, and his master’s degree in business administration from Stanford University Business School in the United States in June 1995.

JP Gan (甘劍平) has served as our director since April 2002, and as an independent director since July 2005. Mr. Gan has been a founding partner of INCE Capital Limited since 2019. From December 2006 to June 2019, Mr. Gan was a managing partner of Qiming Venture Partners. From July 2005 to December 2006, Mr. Gan was the chief financial officer of KongZhong Corporation (Nasdaq: KZ, delisted), a wireless internet company formerly listed on the Nasdaq. Mr. Gan has been an independent director of BiliBili Inc. (Nasdaq: BILL, SEHK: 9626) since January 2015. Mr. Gan obtained his Masters of Business Administration from the University of Chicago Graduate School of Business in June 1999 and his Bachelor of Business Administration from the University of Iowa in May 1994.

Cindy Xiaofan Wang (王肖璠) has served as our chief financial officer since November 2013 and executive vice president since May 2016. Prior to that, she was our Vice President since January 2008. Ms. Wang joined us in December 2001 and has held a number of managerial positions at our Company. Ms. Wang won the Best CFO Award by Institutional Investor in the 2017 All-Asia Executive Team Rankings in 2017, and China Best CFO Leadership Award by SNAI/ACCA/Korn Ferry in 2021. Previously, Ms. Wang worked with PricewaterhouseCoopers Zhong Tian CPAs Limited Company from 1997 to 1999. Ms. Wang has been a director of MakeMyTrip Limited (Nasdaq: MMYT) since August 2019. She also served on the board of directors of Huazhu Group Limited (Nasdaq: HHTT, SEHK: 1179) from January 2018 to July 2020. Ms. Wang received a Master of Business Administration from Massachusetts Institute of Technology in 2013 and obtained her Bachelor’s degree from Shanghai Jiao Tong University in 1997. Ms. Wang is a Certified Public Accountant (CPA).

COMPENSATION

Compensation of our directors and executive officers

For each of the three years ended December 31, 2018, 2019, and 2020, we paid and accrued an aggregate of fees, salaries and benefits (excluding equity-based grants) in cash of approximately RMB12 million, RMB13 million and RMB8 million, respectively, to our executive directors and non-executive directors as a group.

We have entered into a standard form of director agreement with each of our directors. Under these agreements, we paid cash compensation (inclusive of directors’ fees) to our directors in an

DIRECTORS AND SENIOR MANAGEMENT

aggregate amount of US\$1.9 million in 2019 and US\$1.2 million in 2020. Directors are reimbursed for all expenses incurred in connection with each board of directors meeting and when carrying out their duties as directors of our Company. See “—Employees’ Share incentive plans” for options granted to our directors in 2019 and 2020.

We have entered into standard forms of employment agreements with our executive officers. Under these agreements, we paid cash compensation to our executive officers in an aggregate amount of US\$0.5 million in 2019 and US\$0.5 million in 2020, excluding compensation paid to Min Fan, James Jianzhang Liang and Jane Jie Sun, who also serve and receive compensation as our executive directors. These agreements provide for terms of service, salary and additional cash compensation arrangements, all of which have been reflected in the 2019 and 2020 aggregate compensation amount. See “—Employees’ Share Incentive Plans” for options granted to our executive officers in 2019 and 2020.

Our PRC subsidiaries are required by law to make contributions equal to certain percentages of each employee’s salary for his or her pension insurance, medical insurance, housing fund, unemployment and other statutory benefits. Except for the above statutory contributions, we have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Employees’ Share Incentive Plans

Our board of directors has made share-based awards under five share incentive plans, namely, the Global Share Incentive Plan, as amended and restated in July 2018 and further amended and restated in December 2019 (the “**Second A&R Global Plan**”), the 2007 Share Incentive Plan (the “**2007 Plan**”), the 2005 Employee’s Stock Option Plan (the “**2005 Plan**”), the 2003 Employee’s Option Plan (the “**2003 Plan**”), and the 2000 Employee’s Stock Option Plan (the “**2000 Plan**”). The terms of the 2005 Plan, the 2003 Plan and the 2000 Plan are substantially similar. The purpose of the plans is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, officers and directors and to promote the success of our business. Our board of directors believes that our Company’s long-term success is dependent upon our ability to attract and retain superior individuals who, by virtue of their ability and qualifications, make important contributions to our business.

The 2007 Plan, the 2005 Plan, the 2003 Plan and the 2000 Plan have all expired and no new awards may be granted under these share incentive plans. Under the Second A&R Global Plan, the maximum aggregate number of ordinary shares that may be issued pursuant to awards was 100,877,248, after accounting for the Share Subdivision, as of the first business day of 2021, with annual increases on January 1 of each subsequent calendar year by the number of ordinary shares representing 3% of our then total issued and outstanding share capital as of December 31 of the preceding year until the termination of the plan. Under the 2007 Plan, options to purchase 16,753,848 shares were issued and outstanding as at February 28, 2021, after accounting for the Share Subdivision. Under the Second A&R Global Plan, options to purchase 39,556,768 shares and 860,440 restricted share units were issued and outstanding as of February 28, 2021, after accounting for the Share Subdivision.

In June 2017, our board of directors approved our Global Share Incentive Plan.

In July 2018, our compensation committee and board of directors amended and restated the Global Share Incentive Plan and approved the Amended and Restated Global Share Incentive Plan to increase the number of shares that may be issued thereunder.

DIRECTORS AND SENIOR MANAGEMENT

In December 2019, we completed a one-time modification of share options, pursuant to which eligible employees were able to exchange every four of the share options that were granted under the 2007 Share Incentive Plan and the Amended and Restated Global Incentive Plan with exercise price exceeding US\$40 (after the Share Subdivision) per ordinary share for one new option entitling each eligible grantee to purchase one ordinary share at the exercise price of US\$0.00125 (after the Share Subdivision) with the original vesting schedules remaining unchanged. As a result of the modification, prior options to purchase 6,686,792 (after the Share Subdivision) ordinary shares were exchanged for new options to purchase 1,672,208 (after the Share Subdivision) ordinary shares.

In December 2019, our board of directors approved our Second A&R Global Plan.

In November 2020, as approved by our compensation committee, we extended the exercise period of certain options that were granted under our 2007 Plan to our Directors and executive officers that would originally expire for additional five years from their respective original expiration dates.

The following table summarizes, as of February 28, 2021, the outstanding options and the outstanding restricted share units granted under our 2007 Plan and the Second A&R Global Plan to the individual executive officers and directors named below. The table gives effect to the modifications described above and accounts for the Share Subdivision.

| Name | Ordinary Shares Underlying Options / Restricted Share Units Granted | Exercise Price (US\$/Share) | Date of Grant | Date of Expiration |
|--------------------------|--|--|--|---|
| James Jianzhang Liang | 21,521,600 | 20.245; 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68; 25.92 | From January 9, 2014 to June 30, 2020 | From April 2, 2023 to June 30, 2028 |
| Jane Jie Sun | 12,000 ⁽¹⁾ 8,921,600 | — 9.82; 20.245; 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68; 25.92 | February 9, 2018 From January 27, 2013 to June 30, 2020 | — From April 2, 2023 to June 30, 2028 |
| Min Fan | 12,000 ⁽¹⁾ 1,054,936 | — 9.82; 20.245; 22.455; 29.625; 30.93; 40.62; 43.84; 0.00125; 31.68 | February 9, 2018 From January 27, 2013 to December 4, 2019 | — From April 2, 2023 to December 6, 2027 |
| Cindy Xiaofan Wang | 12,000 ⁽¹⁾ * | — 20.245; 22.455; 29.625; 30.93; 26.13; 0.00125; 31.68 | February 9, 2018 From January 9, 2014 to June 30, 2020 | — From April 2, 2023 to June 30, 2028 |
| Neil Nanpeng Shen | * | 9.82; 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68 | From January 27, 2013 to December 4, 2019 | From April 2, 2023 to December 6, 2027 |
| Qi Ji | * | 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68 | From December 6, 2014 to December 4, 2019 | From April 2, 2023 to December 6, 2027 |
| Gabriel Li | * | 9.82; 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68 | From January 27, 2013 to December 4, 2019 | From April 2, 2023 to December 6, 2027 |
| JP Gan | * | 22.455; 29.625; 30.93; 40.62; 43.84; 26.13; 31.68 | From December 6, 2014 to December 4, 2019 | From April 2, 2023 to December 6, 2027 |

* Aggregate number of shares represented by all grants of options and/or restricted share units to the person account for less than 1% of our total outstanding ordinary shares.

Note:

(1) Restricted share units.

DIRECTORS AND SENIOR MANAGEMENT

2007 Plan

The following paragraphs summarize the terms of our 2007 Plan, which was amended and restated effective November 17, 2008.

Plan Administration. Our board of directors, or a committee designated by our board or directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the type or types of incentive share awards to be granted and provisions and terms and conditions of each grant and may at their absolute discretion adjust the exercise price of an option grant. The exercise price per share subject to an option may be reduced by the committee or the full board of directors, without shareholder or option holder approval. The types of incentive share awards pursuant to the 2007 Plan include, among other things, an option, a restricted share award, a share appreciation right award and a restricted share unit award.

Award Agreements. Options and stock purchase rights granted under our plan are evidenced by a stock option agreement or a stock purchase right agreement, as applicable, that sets forth the terms, conditions and limitations for each grant.

Eligibility. We may grant awards to our employees, directors and consultants or any of our related entities, which include our subsidiaries or any entities which are not subsidiaries but are consolidated in our consolidated financial statements prepared under U.S. GAAP.

Acceleration of Options upon Corporate Transactions. The outstanding options will terminate and accelerate upon occurrence of a change of control corporate transaction where the successor entity does not assume our outstanding options under the plan. In such event, each outstanding option will become fully vested and immediately exercisable, and the transfer restrictions on the awards will be released and the repurchase or forfeiture rights will terminate immediately before the date of the change of control transaction provided that the grantee's continuous service with us shall not be terminated before that date.

Term of the Options. The term of each option grant shall be stated in the stock option agreement, provided that the term shall not exceed ten years from the date of the grant, and in the case of incentive share options, five years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines, or the incentive award agreement specifies, the vesting schedules. Currently, three types of vesting schedules were adopted for the incentive awards granted under the 2007 Plan. One of the vesting schedules is that one-third of the incentive awards vest 24 months after a specified vesting commencement date, an additional one-third vest 36 months after the specified vesting commencement date and the remaining one-third vest 48 months after the specified vesting commencement date, subject to other terms under the 2007 Plan and the incentive award agreement. Another type of vesting schedule is that one-fourth of the incentive awards vest every 12 months over a four-year vesting period starting from a specified vesting commencement date, subject to other terms under the 2007 Plan and the incentive award agreement. The last type of vesting schedule is that one-tenth of the incentive awards vest 12 months after a specified vesting commencement date, an additional three-tenth vest 24 months after the specified vesting commencement date, another three-tenth vest 36 months after the specified vesting commencement date and the remaining three-tenth vest 48 months after the specified vesting commencement date, subject to other terms under the 2007 Plan and the incentive award agreement.

Other Equity Awards. In addition to stock options, we may also grant to our employees, directors and consultants or any of our related entities share appreciation rights, restricted share awards, restricted share unit awards, deferred share awards, dividend equivalents and share payment

DIRECTORS AND SENIOR MANAGEMENT

awards, with such terms and conditions as our board of directors (or, if applicable, the compensation committee) may, subject to the terms of the plan, establish.

Transfer Restrictions. Options to purchase our ordinary shares may not be transferred in any manner by the optionee other than by will or the laws of succession and may be exercised during the lifetime of the optionee only by the optionee.

Termination or Amendment of the Plan. Unless terminated earlier, the plan will terminate automatically in 2017. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law, regulation or stock exchange rule. We must also generally obtain approval of our shareholders to (i) increase the number of shares available under the plan (other than any adjustment as described above), (ii) permit the grant of options with an exercise price that is below fair market value on the date of grant, (iii) extend the exercise period for an option beyond ten years from the date of grant, or (iv) results in a material increase in benefits or a change in eligibility requirements.

Second A&R Global Plan

Plan Administration. Our compensation committee of the board of directors, or a committee delegated by our compensation committee, will administer the plan. The committee or the full board of directors, as appropriate, will determine the type or types of incentive share awards to be granted and provisions and terms and conditions of each grant and may at their absolute discretion adjust the exercise price of an option grant. The exercise price per share subject to an option may be reduced by the committee or the full board of directors, without shareholder or option holder approval. The types of incentive share awards pursuant to the Second A&R Global Plan include, among other things, an option, a restricted share award, a share appreciation right award and a restricted share unit award.

Award Agreements. Options and stock purchase rights granted under our plan are evidenced by an award agreement, that sets forth the terms, conditions and limitations for each grant.

Eligibility. We may grant awards to our employees, directors and consultants or any of our related entities, which include our subsidiaries or any entities which are not subsidiaries but are consolidated in our consolidated financial statements prepared under U.S. GAAP.

Term of the Options. The term of each option grant shall be stated in the stock option agreement, provided that the term shall not exceed ten years from the date of the grant, and in the case of incentive share options, five years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines, or the incentive award agreement specifies, the vesting schedules. One of our vesting schedules is mainly that one-tenth of the incentive awards vest 12 months after a specified vesting commencement date, an additional three-tenth vest 24 months after the specified vesting commencement date, another three-tenth vest 36 months after the specified vesting commencement date and the remaining three-tenth vest 48 months after the specified vesting commencement date, subject to other terms under the Second A&R Global Plan and the incentive award agreement. Another type of vesting schedule is that one-fourth of the incentive awards vest every 12 months over a four-year vesting period starting from a specified vesting commencement date, subject to other terms under the Second A&R Global Plan and the incentive award agreement.

Other Equity Awards. In addition to stock options, restricted share awards and restricted share unit awards, we may also grant to our employees, directors and consultants or any of our related entities share appreciation rights, deferred share awards, dividend equivalents and share payment

DIRECTORS AND SENIOR MANAGEMENT

awards, with such terms and conditions as our board of directors (or, if applicable, the compensation committee) may, subject to the terms of the plan, establish.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than by will or the laws of succession and may be exercised during the lifetime of the participant only by the participant.

Termination or Amendment of the Plan. Unless terminated earlier, the plan will terminate automatically in 2027. Our board of directors has the authority to amend or terminate the plan to the extent necessary to comply with applicable law, regulation or stock exchange rule. We must also generally obtain approval of our shareholders to (i) increase the number of shares available under the plan (other than any adjustment as described above), (ii) permits the committee to extend the exercise period for an option beyond ten years from the date of grant, or (iii) results in a change in eligibility requirements, unless we decide to follow home country practice pursuant to Rule 5615(a)(3) of the Nasdaq listing rules applicable to foreign private issuers.

BOARD PRACTICES

Nomination and Terms of Directors

Our board of directors currently consists of nine directors. A director is not required to hold any shares in the company by way of qualification. Our board of directors may exercise all the powers of the company to borrow money, mortgage or charge its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. No director is entitled to any severance benefits upon termination of his directorship with us. Four out of nine of our directors meet the “independence” definition under The Nasdaq Stock Market, Inc. Marketplace Rules (the “**Nasdaq Rules**”). As Nasdaq Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country, we chose to rely on home country practice in lieu of the requirement to have a majority of independent directors on our board under Nasdaq Rules.

Committees of the Board of Directors

Audit Committee

Our audit committee reports to the board regarding the appointment of our independent auditors, the scope and results of our annual audits, compliance with our accounting and financial policies and management’s procedures and policies relatively to the adequacy of our internal accounting controls.

Our audit committee consists of Messrs. Gan, Li and Shen. All of these directors meet the audit committee independence standard under Rule 10A-3 under the Exchange Act. The independence definition under Rules 5605 of the Nasdaq Rules is met by Messrs. Gan, Li and Shen. In addition, all the members of our audit committee qualify as “audit committee financial experts” as defined in the relevant Nasdaq Rules.

Compensation Committee

Our compensation committee reviews and evaluates and, if necessary, revises the compensation policies adopted by the management. Our compensation committee also determines all forms of compensation to be provided to our senior executive officers. In addition, the compensation committee reviews all annual bonuses, long-term incentive compensation, share options, employee pension and welfare benefit plans. Our chief executive officer may not be present at any committee meeting during which her compensation is deliberated.

DIRECTORS AND SENIOR MANAGEMENT

Our compensation committee consists of Messrs. Gan, Ji and Shen, all of whom meet the “independence” definition under the Nasdaq Rules.

Duties of Directors

Under Cayman Islands law, our directors have a duty of loyalty to act honestly and in good faith in the best interests of our Company. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than what may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our Memorandum and Articles of Association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders’ annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

All directors hold office until their successors have been duly elected and qualified unless such office is vacated earlier in accordance with the Articles of Association. A director may only be removed by the shareholders who appointed such director, except in the case of ordinary directors, who may be removed by ordinary resolutions of the shareholders. Officers are elected by and serve at the discretion of the board of directors.