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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Fosun International Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**FOSUN 复星**  
**復星國際有限公司**  
**FOSUN INTERNATIONAL LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 00656)

**PROPOSED ADOPTION OF THE SHARE OPTION SCHEME  
OF GLAND PHARMA LIMITED**

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A notice convening the AGM to be held at 10 a.m. on Wednesday, 5 June 2019 at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom 1&2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong concurrently by video conference as set out in the general mandate circular of the Company and a form of proxy for the AGM are despatched together with this circular. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

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## DEFINITIONS

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*Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:*

“Adoption Date”	the date on which the adoption of Share Option Scheme is to be approved by the shareholders of Gland Pharma
“AGM”	the annual general meeting of the Company to be held at 10 a.m. on Wednesday, 5 June 2019 at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom 1&2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong concurrently by video conference for the purpose of considering and approving, among other things, the proposed adoption of the Share Option Scheme
“Applicable Laws”	laws of India to the extent applicable and as amended, modified and substituted from time to time
“Approved Budgeted Profit After Tax” or “Approved Budgeted PAT”	the budgeted Profit After Tax (“ <b>PAT</b> ”) of Gland Pharma for the year under consideration as approved by the GP Board or other committee appointed by the GP Board
“Approved Budgeted Revenue”	the budgeted gross revenue of Gland Pharma for the year under consideration and as approved by the GP Board or other committee appointed by the GP Board
“associate(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules or the SEBI Regulations
“Beneficiary” or “Nominee”	means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/are entitled by the will or probate of the Participant to receive the benefits specified in the Share Option Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant’s executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Share Option Scheme or any other agreements forming part thereof
“Board”	the board of Directors

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## DEFINITIONS

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“Business Day(s)”	any day (excluding Saturday and Sunday) on which the Hong Kong Stock Exchange generally is open for business of dealing in securities
“CAGR”	compounded annual growth rate
“Cause”	negligence, fraud, professional misconduct, moral turpitude etc. as per GP Group’s policy
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules or the SEBI Regulations
“Closing Date”	the last date on which the offer of Options granted by Gland Pharma to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day
“Company” or “Fosun International”	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules or the SEBI Regulations
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules or the SEBI Regulations
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Option Scheme shall be effective, being the Adoption Date
“Employee(s)”	means (i) a permanent employee of Gland Pharma working in India or outside of India; or (ii) a director of Gland Pharma, whether a whole time director or not (but excluding an independent director); or (iii) an employee as defined in (i) and (ii) above of a subsidiary (as defined under the Companies Act, 2013 of India) of Gland Pharma, in India or outside India, but does not include: (x) an employee who is a promoter or a person belonging to the promoter group (as such terms are defined under SEBI ICDR Regulations); or (y) a director of Gland Pharma who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding GP Shares

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## DEFINITIONS

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“Exercise Date”	the date on which the Participant exercises his right to apply for GP Shares against the vested Options and in case of partial exercise, shall mean each date on which the Participant/Beneficiary exercises his right to apply for GP Shares against part of his vested Options
“Exercise Period”	the time period after vesting within which an Employee should exercise his right to apply for GP Shares against the vested Options in pursuance of the Share Option Scheme, as applicable, and which period shall end in any event not later than 10 years from the Grant Date subject to the provisions for early termination thereof
“Exercise Price”	the price, if any, payable by the Employee for exercising the Option granted to him in pursuance of the Share Option Scheme
“Fair Market Value”	on any date of determination will be: (i) if the GP Shares of Gland Pharma are listed on any recognized stock exchange in India, the latest available closing price of the GP Share prior to such date, (ii) if the GP Shares are listed on more than one recognized stock exchange in India, the latest available closing price of the GP Share prior to such date on the stock exchange where there is highest trading volumes on the said date, and (iii) if the GP Shares are not listed, the value calculated in accordance with generally accepted accounting standards and valuation principles as may be applicable in India and shall be determined by the GP Board/GP Committee on the basis of the valuation report submitted by an independent external valuer appointed by the GP Board/GP Committee on the latest financial statements not older than 6 months prior to the date of determination. The value which the GP Board/GP Committee accepts as the Fair Market Value in accordance with the foregoing norms shall be final and binding on all parties
“Fosun Pharma”	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively

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## DEFINITIONS

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“Gland Pharma”	Gland Pharma Limited, a company incorporated under the laws of India, which is an indirect non-wholly owned subsidiary of the Company
“GP Board”	the board of directors of Gland Pharma
“GP Committee”	the nomination and remuneration committee as created by the GP Board for administration and superintendence of the Share Option Scheme thereunder and consists of such members of GP Board as provided under Section 178 of Companies Act, 2013 of India
“GP Group”	in relation to Gland Pharma, has the same meaning ascribed to it under the SEBI Regulations
“GP Share(s)”	equity shares and securities convertible into equity shares and shall include American depository receipts, global depository receipts or other depository receipts representing underlying equity shares or securities convertible into equity shares of Gland Pharma
“Grantee”	an Eligible Employee at the time of grant of the Option to be eligible to participate under the Share Option Scheme
“Grant Date”	the date on which the GP Committee approves the grant of Options
“Grant Letter”	the letter by which grant of Options is communicated to the Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	17 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing”	the listing on a recognised stock exchange of GP Shares or shares of Gland Pharma’s holding company (except for the Company and Fosun Pharma) or such other company that then holds the business conducted or to be conducted by Gland Pharma and its subsidiaries after the Adoption Date
“Option”	a right but not an obligation, to purchase or subscribe for GP Shares in accordance with the terms of the Share Option Scheme
“Participant”	a Grantee who accepts the grant of Options from Gland Pharma to participate in the Share Option Scheme
“PAT CAGR”	the CAGR of PAT for the specified period excluding any exceptional/extraordinary (non-recurring) items
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Revenue”	the total sales of Gland Pharma for the Calendar Year
“Revenue CAGR”	the CAGR of the Revenue for the specified period
“RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“SEBI”	the Securities and Exchange Board of India
“SEBI ICDR Regulations”	the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
“SEBI Regulations”	the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by SEBI under the SEBI Act, 1992 as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“Share Option Scheme” the Gland Pharma Employee Stock Option Plan 2019 (the “**Plan**”) together with Gland Pharma Limited Employee Stock Option Scheme 2019, which was approved and notified by the GP Committee/GP Board/Gland Pharma to be part of the Plan, approved by the GP Board, subject to the approval of the shareholders of Gland Pharma, the Company and Fosun Pharma, and as amended from time to time in accordance with the provisions thereof

“substantial shareholder(s)” has the same meaning ascribed to it under the Hong Kong Listing Rules or the SEBI Regulations

\* *for identification purposes only*



**FOSUN 复星**  
**復星國際有限公司**  
**FOSUN INTERNATIONAL LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 00656)

*Executive Directors:*

Mr. Guo Guangchang (*Chairman*)  
Mr. Wang Qunbin (*Chief Executive Officer*)  
Mr. Chen Qiyu (*Co-President*)  
Mr. Xu Xiaoliang (*Co-President*)  
Mr. Qin Xuetao  
Mr. Wang Can  
Mr. Gong Ping

*Registered office:*

Room 808  
ICBC Tower  
3 Garden Road  
Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Zhang Shengman  
Mr. Zhang Huaqiao  
Mr. David T. Zhang  
Mr. Yang Chao  
Dr. Lee Kai-Fu

26 April 2019

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE SHARE OPTION SCHEME  
OF GLAND PHARMA LIMITED**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed adoption of the Share Option Scheme to enable you to make informed decisions on the relevant proposed resolutions at the AGM.

**II. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME OF GLAND PHARMA**

The GP Board passed a board resolution on 20 March 2019 to adopt the Share Option Scheme, subject to the approval of the shareholders of Gland Pharma, Fosun Pharma and the Shareholders. The Share Option Scheme is designed to (i) reward the Employees for their past as

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## LETTER FROM THE BOARD

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well as future performance, (ii) align the interests of the Employees with those of shareholders of Gland Pharma, (iii) foster the sense of ownership of the Employees, and (iv) reward the Employees for their loyalty.

Gland Pharma is a company incorporated in 1978, with its headquarters based in Hyderabad, India, and is principally engaged in the manufacture of small molecule injectable generic drugs. As at the Latest Practicable Date, there were no other share option plans or schemes put in place by Gland Pharma.

The shares to be issued upon an exercise of the Options granted under the Share Option Scheme will be the GP Shares, not the Company's shares. As at the Latest Practicable Date, the GP Shares are not listed.

Subject to the Share Option Scheme, the maximum number of Options that may be granted under the Share Option Scheme is 170,444 Options, with the number of underlying GP Shares being 170,444. While Gland Pharma reserves the right to decide the actual number of GP Shares to be issued under the Share Option Scheme, any change to such maximum number of GP Shares that may be issued upon the exercise of all Options granted under the Share Option Scheme shall be subject to the approval of the Shareholders and the shareholders of Gland Pharma and Fosun Pharma in accordance with the Share Option Scheme.

The Exercise Price of an Option shall be determined based on the Fair Market Value of the underlying GP Share, which shall be determined by the GP Board/GP Committee in accordance with the norms provided in the Share Option Scheme. Such Fair Market Value as accepted by the GP Board/GP Committee shall be final and binding on all parties. For the purposes of incentivising and rewarding the Employees for their contribution to Gland Pharma and retaining key talent in Gland Pharma, the Exercise Price of an Option granted under the Share Option Scheme will also represent a 20% discount to the Fair Market Value so that the relevant Exercise Price will be equal to 80% of such Fair Market Value, provided, however, that, with respect to the period from the date of Fosun Pharma resolves to seek a Listing of Gland Pharma or during the period commencing six months before the lodgement of an application for Listing up to the date of Listing, the rules under note (2) to Rule 17.03(9) of the Hong Kong Listing Rules shall be complied with, in particular, in the event that Gland Pharma seeks a Listing in Hong Kong, the Exercise Price of Options granted during the abovementioned period must be not less than the new issue price.

As at the Latest Practicable Date, GP Board has not passed or adopted any resolution to grant or propose to grant any Options under the Share Option Scheme. In addition, for so long as Gland Pharma remains a subsidiary of the Company and/or Fosun Pharma, each grant of the Options to any director, chief executive or substantial shareholder of the Company and/or Fosun Pharma, or any of their respective associates shall be subject to the prior approval of the independent non-executive directors of the Company and/or Fosun Pharma (excluding any independent non-executive director who is a proposed Grantee of the Option in question). Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company and/or Fosun Pharma, or any of their respective associates would result in the GP Shares which may be issued and to be issued upon exercise of all Options already granted and to be granted (including

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## LETTER FROM THE BOARD

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the Options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Hong Kong Stock Exchange) of the GP Shares in issue, such further grant of Options shall be subject to prior approval by the shareholders of the Company and/or Fosun Pharma. A circular containing information as required under Rule 17.04(3) of the Hong Kong Listing Rules will be provided to the shareholders of the Company and/or Fosun Pharma. The Grantee, his or her associates and all core connected persons of the Company and/or Fosun Pharma must abstain from voting, except that any such person may vote against the relevant resolution at the general meeting, provided that his intention to do so has been stated in the circular to be sent to the shareholders of the Company and/or Fosun Pharma.

The GP Board has given their approval for the adoption of the Share Option Scheme, subject to the approval of shareholders of Gland Pharma. The proposed adoption of the Share Option Scheme is subject to the approval by the Shareholders at the general meeting of the Company in accordance with the Hong Kong Listing Rules. Gland Pharma is a 74% indirectly owned subsidiary of Fosun Pharma, which in turn is a subsidiary of the Company. Accordingly, the Share Option Scheme would only take effect upon the approval by the Shareholders at the AGM as well as the approval by the shareholders of Fosun Pharma at its general meeting. A summary of the principal terms of the Share Option Scheme is set out in the Appendix to this circular. Copy of the Share Option Scheme will be available for inspection at the Company's registered office at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong during normal business hours from 9:00 a.m. to 6:00 p.m. on any Business Day from the date of this circular up to and including the date of the AGM.

The Share Option Scheme complies with the applicable requirements under Chapter 17 of the Hong Kong Listing Rules.

### III. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### IV. AGM

A notice convening the AGM to be held at 10 a.m. on Wednesday, 5 June 2019 at Grand Ballroom, 3/F, Wanda Reign on the Bund, 538 Zhong Shan Dong Er Road, Huangpu District, Shanghai, China and Grand Ballroom 1&2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong concurrently by video conference is set out in the general mandate circular of the Company and a form of proxy for the AMG are despatched together with this circular. Whether or not you are able to attend the AGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and

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## LETTER FROM THE BOARD

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return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Grantees/Participants and their respective associates is a Shareholder and entitled to vote at the AGM. Further, no Shareholder has any material interest in the resolutions to be proposed at the AGM and therefore, no Shareholder is required to abstain from voting at the AGM.

### V. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the proposed adoption of the Share Option Scheme is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend all Shareholders to vote in favour of the relevant resolutions proposed at the AGM.

Yours faithfully,  
By order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

The following is a summary of the principal terms of the Share Option Scheme to be adopted at the AGM:

## **1. PURPOSE OF THE SHARE OPTION SCHEME**

The purpose of the Share Option Scheme is to (i) reward the Employees for their past as well as future performance, (ii) align the interests of the Employees with those of shareholders of Gland Pharma, (iii) foster the sense of ownership of the Employees, and (iv) reward the Employees for their loyalty.

## **2. ADMINISTRATION**

The Share Option Scheme shall be administered by the GP Committee working under the powers delegated by the GP Board. The GP Committee is authorised to (i) interpret the Share Option Scheme, (ii) subject to the modification provisions under the Share Option Scheme and to the extent permissible by the Applicable Laws, the SEBI Regulations and the Hong Kong Listing Rules, establish, amend and rescind any rules and regulations relating to the Share Option Scheme, and (iii) make any other determinations that it deems necessary or desirable for the administration and implementation of the Share Option Scheme. The GP Committee may correct any defect, omission or reconcile any inconsistency in the Share Option Scheme in the manner and to the extent the GP Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Share Option Scheme and take any action which the GP Board is entitled to take.

## **3. WHO MAY JOIN AND BASIS OF ELIGIBILITY**

- 3.1. The GP Committee will decide which of the Employees should be granted Options under the Share Option Scheme and accordingly, Gland Pharma would offer the Options to the identified Employees to the extent permissible by Applicable Laws. Such identified Employees are referred to as “Eligible Employees”.
- 3.2. In determining the eligibility of an Employee to receive an Option as well as in determining the number of Options to be granted to any Employee, the GP Committee shall formulate criterion for grant of Options based on, but not limited to, one or more of the following: (i) number of years of service of the Employee; (ii) industry experience of the Employee; (iii) grade/level of the Employee; (iv) past-track record/present performance or future potential of the Employee; and (v) any other criteria as may be decided by the GP Committee.

## **4. GRANT OF OPTIONS**

- 4.1. The grant of the Options by the GP Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant Letter shall state the Grant Date, the number of Options granted, the Exercise Price and the Closing Date of

accepting the grant as per the Share Option Scheme, which shall not be more than 60 days from the Grant Date or the date of the meeting of the GP Committee on which the grant is made.

- 4.2. In accordance with provisions of the Share Option Scheme, any Grantee who wishes to accept the grant of Options made pursuant to paragraph 4.1 above, must deliver an acceptance form, prescribed by the GP Committee from time to time, duly completed as required therein to the GP Committee on or before the Closing Date stated in the Grant Letter.
- 4.3. Upon receipt of a duly completed acceptance form from the Grantee in respect of the grant of Options, the Grantee will become a Participant. The GP Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such grant of Options and the number of GP Shares for which the Participant will be entitled to subscribe pursuant to such grant of Options.
- 4.4. Subject to the terms contained in the Share Option Scheme, the acceptance in accordance with this paragraph and the relevant terms in the Share Option Scheme, of a grant of Options made to a Grantee, shall conclude a contract between the Grantee and Gland Pharma, pursuant to which each Option shall, on such acceptance, be an unvested Option.
- 4.5. Each grant of the Options to any director, chief executive or substantial shareholder of Fosun International and/or Fosun Pharma, or any of their respective associates shall for so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, be subject to the prior approval of the independent non-executive directors of Fosun International and/or Fosun Pharma (excluding any independent non-executive director who is a proposed Grantee of the Option in question). Where any grant of Options to a substantial shareholder or an independent non-executive director of Fosun International and/or Fosun Pharma, or any of their respective associates would result in the GP Shares which may be issued and to be issued upon exercise of all Options already granted and to be granted (including the Options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Hong Kong Stock Exchange) of the GP Shares in issue, such further grant of Options shall be subject to prior approval by the shareholders of Fosun International and/or Fosun Pharma (voting by way of poll) passing a resolution on which the Grantee, his or her associates and all core connected persons of Fosun International and/or Fosun Pharma must abstain from voting (except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be sent to the shareholders of Fosun International and/or Fosun Pharma in connection therewith).

- 4.6. Any proposed change in the terms of Options granted to a Grantee who is a substantial shareholder or an independent non-executive director of Fosun International and/or Fosun Pharma, or any of their respective associates, must first be approved by the shareholders of Fosun International and/or Fosun Pharma (voting by way of poll) passing a resolution on which the Grantee, his or her associates and all core connected persons of Fosun International and/or Fosun Pharma must abstain from voting (except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be sent to the shareholders of Fosun International and/or Fosun Pharma in connection therewith).

## 5. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

- 5.1. Subject to the provisions of the Share Option Scheme, the maximum number of GP Shares that may be issued pursuant to exercise of Options granted to the Participants under the Share Option Scheme shall not exceed 170,444 (one lakh seventy thousand four hundred and forty four only) GP Shares representing 1.1% of the total number of issued GP Shares as at the Adoption Date. Subject to the limitations prescribed under the Share Option Scheme, Gland Pharma reserves the right to increase or reduce such number of GP Shares as it deems fit.

- (i) Notwithstanding the foregoing provisions of this paragraph 5.1, the maximum number of GP Shares which may be issued upon exercises of all outstanding Options granted and yet to be exercised under the Share Option Scheme and other share option plans and schemes of Gland Pharma must not exceed 30% of the number of the relevant class of GP Shares in issue from time to time. No Options may be granted if such grant will result in the said 30% limit being exceeded.
- (ii) Subject always to the overall limit provided in paragraph 5.1(i):
- (a) Subject to paragraphs (b) and (c) of this paragraph 5.1(ii), the total number of GP Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and other share option plans and schemes of Gland Pharma shall not in aggregate exceed 10% of the number of the relevant class of GP Shares in issue on the Adoption Date (“**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme or any other share option plans or schemes of Gland Pharma shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) For so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, Gland Pharma may refresh the Scheme Mandate Limit at any time subject to the prior approval of the shareholders of Fosun International and/or Fosun Pharma. However, the Scheme Mandate Limit, as refreshed shall not exceed 10% of the number of the relevant class of GP Shares in issue as at the date of the aforesaid shareholders’ approvals, in case

the dates of the approvals are different, the later date of approval. Options previously granted under the Share Option Scheme and other share option plans and schemes of Gland Pharma (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or other share option plans or schemes of Gland Pharma or exercised) shall not be counted for the purpose of calculating the limit as refreshed. For so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, a circular with relevant information as required under the Hong Kong Listing Rules and the SEBI Regulations must be sent to the shareholders of Fosun International and/or Fosun Pharma, in connection with the meetings at which their approvals will be sought.

- (c) For so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, Gland Pharma may also seek separate approval from the shareholders of Fosun International and/or Fosun Pharma, for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to the Grantees specifically identified by Gland Pharma before such approval(s) is/are sought. A circular shall be sent to the shareholders of Fosun International and/or Fosun Pharma (if necessary), containing, amongst other information required under the Hong Kong Listing Rules and the SEBI Regulations, a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Grantees, and how those Options serve such purpose.
- (iii) The total number of GP Shares issued and to be issued upon exercise of the Options granted and to be granted to each Grantee or Participant (as the case may be) (including both exercised and outstanding Options) in any twelve-month period shall not exceed 1% of the number of the relevant class of GP Shares in issue as of the proposed Grant Date. For so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, any further grant of Options (including exercised, cancelled and outstanding Options) to a Grantee or a Participant exceeding 1% of the number of the relevant class of GP Shares in issue shall be subject to the approval of the shareholders of Fosun International and/or Fosun Pharma in advance with such Grantee or Participant (as the case may be) and his or her close associates, or his or her associates if the Grantee or Participant is a connected person abstaining from voting. A circular with relevant information as required under the Hong Kong Listing Rules and the SEBI Regulations must be sent to the shareholders of Fosun International and/or Fosun Pharma (if appropriate) disclosing the identity of the Grantee or Participant (as the case may be) and the number and terms of the Options granted and to be granted. The number and terms



of Options to be granted to such Grantee or Participant, as the case may be, shall be fixed before such shareholders' approval(s) is/are sought and the date of the GP Board meeting for proposing such further grant should be taken as the Grant Date.

5.2. Notwithstanding the foregoing provisions of paragraph 5.1 above, all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted. Gland Pharma may grant such Options within the overall limit determined in accordance with the Share Option Scheme, provided that where an Option is cancelled and a new Option is proposed to be granted to the same Grantee, the grant of such new Option may only be made under the Share Option Scheme if there is available ungranted Options (excluding the cancelled Options) within the limits prescribed in paragraph 5.1 above.

## 6. VESTING OF OPTIONS

6.1. There shall be a minimum period of one year between grant of Options and vesting of Options.

6.2. Subject to provisions of the Share Option Scheme, continued employment of the Participant with Gland Pharma, successful listing of Gland Pharma on a recognized stock exchange in India ("**Listing Condition**") and on satisfaction of Employee performance conditions and vesting conditions specified in the Grant Letter, the Options granted shall vest as under:

- (i) 40% of the Options granted shall vest:
  - (a) On 31 March 2020, if Gland Pharma meets 100% of the Approved Budgeted Revenue and Approved Budgeted PAT of Calendar Year ("**CY**") 2019 and the R&D expense for CY 2019 is not less than 3% of the Revenue. If not then,
  - (b) On 31 March 2021, if Gland Pharma meets 100% of the sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2019 and CY 2020. Additionally, the Revenue CAGR from CY 2018 to CY 2020 is at least 25%, the PAT CAGR from CY 2018 to CY 2020 is at least 30% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3% of the sum of Revenue for CY 2019 and CY 2020. If not then,
  - (c) On 31 March 2022, if Gland Pharma meets 100% of the sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2019, CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.

This tranche of Options granted to the Eligible Employees shall lapse after 31 March 2022, if the aforesaid conditions with respect to vesting, except the Listing Condition, are not satisfied as on dates specified above.

(ii) Next 30% of the Options granted shall vest:

- (a) On 31 March 2021, if Gland Pharma meets 100% of the Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020. Additionally, the Revenue CAGR from CY 2018 to CY 2020 is at least 25%, the PAT CAGR from CY 2018 to CY 2020 is at least 30% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3% of the sum of Revenue for CY 2019 and CY 2020. If not then,
- (b) On 31 March 2022, if Gland Pharma meets 100% of the sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.

This tranche of Options granted to the Eligible Employees shall lapse after 31 March 2022, if the aforesaid conditions with respect to vesting, except the Listing Condition, are not satisfied as on dates specified above.

(iii) Next 30% of the Options granted shall vest:

On 31 March 2022, if Gland Pharma meets 100% of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2021 or if Gland Pharma meets 100% of sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25% and the PAT CAGR from CY 2018 to CY 2021 is at least 30%. The sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.

This tranche of Options granted to the Eligible Employees shall lapse after 31 March 2022, if the aforesaid conditions with respect to vesting, except the Listing Condition, are not satisfied as on dates specified above.

For avoidance of any doubts and notwithstanding anything contained in the Share Option Scheme, it is clarified that no vesting of Options shall take place until the satisfaction of the Listing Condition as specified above.

- 6.3. Upon vesting, the vested Options shall be exercisable in accordance with the terms and conditions set forth under the Share Option Scheme and the Grant Letter.

- 6.4. Notwithstanding anything mentioned in the Share Option Scheme, the Grant Letter and subject to paragraphs 6.2, 9.1 and 9.2 below, Options which are not vested shall automatically lapse after the vesting date and the contract referred to in paragraph 4.4 above shall automatically be terminated without surviving rights/liabilities for any party.
- 6.5. Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend, right to vote, right of transfer, rights arising on a liquidation of Gland Pharma or other rights, or in any manner enjoy the benefits as a shareholder of Gland Pharma, in respect of the GP Shares to be issued upon the exercise of the Options or the Options granted/vested, till such time as the GP Shares are allotted pursuant to a valid exercise of the Options on Exercise Date in favour of such Participant or such person.

## **7. EXERCISE PRICE**

- 7.1. The Exercise Price of the vested Options shall be determined in accordance with the Share Option Scheme. Gland Pharma while determining the Exercise Price shall confirm to the accounting policies. Subject to this paragraph 7, the Exercise Price shall be 80% of the Fair Market Value as at the Grant Date.
- 7.2. No Option may be granted at an Exercise Price lower than the new issue price (if any) either after Fosun Pharma has resolved to seek a Listing or during the period commencing six months before the lodgement of an application with the relevant stock exchange for the Listing up to the date of Listing. In such event, subject to the Applicable Laws, the SEBI Regulations and the Hong Kong Listing Rules, the GP Committee shall have the discretion to adjust the exercise price of options granted during such period to not lower than the new issue price (if any).

## **8. EXERCISE OF OPTIONS**

- 8.1. Subject to provisions under the Share Option Scheme, the Participant alone can exercise the vested Options on an Exercise Date within the Exercise Period in accordance with the terms of the Share Option Scheme. Such exercise may be of all vested Options or part of the vested Options.
- 8.2. Only upon allotment of the GP Shares, the Participants/Nominees shall become members of Gland Pharma. Subject to the lock-in provisions under the Share Option Scheme, the GP Shares to be allotted shall rank *pari-passu* in all respects and otherwise be identical with the outstanding GP Shares of Gland Pharma.

8.3. Notwithstanding anything else contained in the Share Option Scheme and, if the Participant/Nominee does not exercise his vested Options within the time specified in the Share Option Scheme, the Options shall lapse and be forfeited and cancelled by Gland Pharma at the end of the aforesaid period and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any liability to the Gland Pharma.

## **9. TERMINATION OF EMPLOYMENT**

### **9.1. On death of a Participant**

In the event of death of a Participant while in employment with Gland Pharma, subject to the Share Option Scheme, all the Options granted to him till such date and lying unvested shall vest in the Beneficiary of the deceased Participant immediately on that day. Subject to and in accordance with the Share Option Scheme, all the vested Options shall be permitted to be exercised within a period of 120 days from the date of death of the Participant or before the expiry of the Exercise Period, as per the Share Option Scheme, whichever is earlier unless the GP Committee decides otherwise; provided that for the period between the Effective Date and the date of Listing, and in the event of the death of a Participant, the vested Options shall be exercised by the Beneficiary of the deceased Participant within five (5) working days from the date of death of the deceased Participant. Any vested Options not exercised within the aforesaid periods shall automatically lapse at the end of the aforesaid periods and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any surviving right/liability for any party.

### **9.2. On permanent incapacity of a Participant**

In case a Participant suffers a permanent incapacity while in employment subject to the Share Option Scheme, all the Options granted to him till such date of permanent incapacitation and lying unvested, shall vest in him on that day subject to the exercise of options provisions in the Share Option Scheme. Subject to and in accordance with the Share Option Scheme, all the vested Options shall be permitted to be exercised within a period of 120 days from the date of permanent incapacitation or before the expiry of the Exercise Period as per the Share Option Scheme, whichever is earlier unless the GP Committee decides otherwise. Any vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any surviving right/liability for any party.

### **9.3. On attainment of superannuation age**

In case the services of the Participant with Gland Pharma are terminated due to the Participant's retirement on attaining the superannuation age, all the unvested Options granted to him shall immediately stand cancelled and forfeited and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any surviving right/liability for any party. Subject to and in accordance with the Share Option Scheme, all the vested

Options shall be permitted to be exercised within a period of 120 days from the date of termination or before the expiry of the Exercise Period in accordance with the terms of the Share Option Scheme, whichever is earlier unless the GP Committee decides otherwise. Any vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any surviving right/liability for any party.

#### **9.4. Termination with Cause**

In case the termination of employment of a Participant with Gland Pharma is with Cause, his/her Options (vested as well as unvested) shall stand automatically forfeited on the date of such termination and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any liability to Gland Pharma. However, the GP Board/GP Committee shall, in its sole discretion, have the right to waive the forfeiture wholly or partly.

#### **9.5. Other terminations**

In case the service of the Participant with Gland Pharma is terminated other than specified in paragraph 9.1 to 9.4 above, all unvested Options with the Participant on the date of such termination shall lapse and the contract referred to in paragraph 4.4 above stand automatically terminated without any surviving right/liability for any party. Subject to and in accordance with the Share Option Scheme, the Participants can exercise all the vested Options within a period of 120 days from the date of termination or before the expiry of the Exercise Period as per the Share Option Scheme, whichever is earlier, unless the GP Committee decides otherwise. Gland Pharma may, at its discretion, grant extra time for exercising such vested Options on a case-by-case basis. Any vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period and the contract referred to in paragraph 4.4 above shall stand automatically terminated without any surviving right/liability for any party. However, the GP Committee, in its sole discretion, shall have the right to waive such forfeiture wholly or partly.

### **10. NON-TRANSFERABILITY OF OPTIONS**

Save as provided in paragraph 9.1 above, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/Nominee/Beneficiary otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Laws, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against Gland Pharma.

**11. REORGANISATION OF CAPITAL STRUCTURE AND OTHER CORPORATE ACTIONS**

In the event Gland Pharma is involved in:

- (i) a scheme for merger, reconstitution, consolidation, dissolution, liquidation or reorganization, exchange of GP Shares, share swaps, sale of all or substantially all of the assets of Gland Pharma;
- (ii) any stock dividend, subdivision, stock split, reverse stock split, stock combination, capitalisation issue (as defined in the Hong Kong Listing Rules and/or SEBI Regulations), rights issue, bonus issues, reduction of capital or other changes in the capital structure of Gland Pharma; or
- (iii) any other event which in the judgment of the GP Board/GP Committee necessitates action of making a fair and reasonable adjustment to the number of Options (or to the number of GP Shares subject to any Options) and/or to the Exercise Price,

(the “**Corporate Actions**”)

such adjustment shall be made in a manner that after the Corporate Actions (a) the total value of the Options remains the same; and (b) the proportion of the issued share capital of Gland Pharma to which a Grantee is entitled after such adjustment shall remain the same as that to which he/she was previously entitled; provided that no such adjustments shall be made to the extent that would enable any GP Share to be issued at less than its nominal value (if any). No such adjustments will be required in circumstances where there is an issue of GP Shares as consideration in a transaction.

In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or Gland Pharma’s auditors must confirm to the GP Board in writing that the adjustments satisfy the requirements of the relevant provision of the Hong Kong Listing Rules and the SEBI Regulations. In addition, for so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, any adjustment must comply with Chapter 17 of the Hong Kong Listing Rules, the supplementary guidance issued on 5 September 2005 by the Hong Kong Stock Exchange entitled “Supplementary Guidance on Main Board Listing Rule 17.03(13)/ GEM Listing Rule 23.03(13) and the note immediately after the Rule” and any future guidance/ interpretation of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange from time to time.

In all such Corporate Actions, the GP Board/GP Committee shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the GP Board/GP Committee on whether such action is necessary and the extent of such action by the GP

Board/GP Committee shall be final and binding. If a change of control (as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011) shall occur, the GP Board/GP Committee may make such adjustments at its discretion as are necessary or appropriate in light of the change of control (including, without limitation, the substitution of stock other than stock of Gland Pharma as the stock optioned hereunder, and the acceleration of the exercisability of the Options), provided that the GP Board/GP Committee determines that such adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.

## **12. TENURE AND TERMINATION OF THE SHARE OPTION SCHEME**

12.1. The Share Option Scheme shall continue in effect until the earlier to occur of (i) all the Options granted pursuant to the Share Option Scheme have vested and been exercised by the Participants; (ii) the date of termination by Gland Pharma/GP Committee; (iii) the tenth (10th) anniversary date from the Effective Date. The effectiveness of the Share Option Scheme shall be subject to the passing of the necessary resolutions by the shareholders of Fosun International and Fosun Pharma in general meetings to approve the adoption of the Share Option Scheme.

12.2. Any such termination of the Share Option Scheme shall not affect Options/GP Shares already granted and such Options/GP Shares shall remain in full force and effect as if the Share Option Scheme had not been terminated unless mutually agreed otherwise between the Participant/Beneficiary and the GP Committee/Gland Pharma. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme and Options that become void or unexercisable as a result of the termination, will be disclosed in the circular to the shareholders of Fosun International and/or Fosun Pharma for seeking the approval of the first new share option plans or scheme to be set up after such termination.

## **13. MODIFICATION OF THE SHARE OPTION SCHEME**

13.1. The GP Board/GP Committee may, subject to a special resolution passed at a general meeting of Gland Pharma at any time and from time to time, among others, revoke, add to, alter, amend or vary all or any of the terms and conditions of the Share Option Scheme or all or any of the rights and obligations of the Grantee/Participant/Beneficiary.

13.2. Notwithstanding paragraph 13.1 above, the provisions of the Share Option Scheme relating to matters set out in Rule 17.03 of the Hong Kong Listing Rules, as amended from time to time, shall not be altered to the advantage of Grantees or prospective Grantees, and no changes to the authority of the directors of Gland Pharma or administrator of the Share Option Scheme in relation to any alteration of the terms of the Share Option Scheme shall be made, without the prior sanction of the requisite approvals required under the Hong Kong Listing Rules (including the approval of the shareholders

of Fosun International and/or Fosun Pharma). For so long as Gland Pharma remains a subsidiary of Fosun International and/or Fosun Pharma, any alterations to the terms and conditions of the Share Option Scheme, which are of a material nature or any change to the terms of Options granted, shall be subject to the approval by the shareholders of Fosun International and/or Fosun Pharma in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The terms of the Share Option Scheme as altered must comply with Chapter 17 of the Hong Kong Listing Rules.

- 13.3. Gland Pharma must provide to all Grantees all details relating to any changes in the terms of the Share Option Scheme during the life of the Share Option Scheme immediately upon such changes taking effect.