As confidentially submitted to the Securities and Exchange Commission on June 27, 2017
as Amendment No. 1 to the confidential submission dated May 30, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Zai Lab Limited

(Exact name of registrant as specified in its charter)

Not applicable
(Translation of Registrant's name into English)

Cayman Islands	**2834**	**98-1144595**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

4560 Jinke Road
Bldg. 1, 4F, Pudong, Shanghai, 201210, China
Telephone: +86 21 6163 2588
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Patrick O'Brien Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199-3600 Telephone: (617) 951-7000	Samantha Du Chief Executive Officer Zai Lab Limited 4560 Jinke Rd Bldg.1, Fourth Floor Pudong Shanghai, China 201210 Telephone: +86 21 6163 2588	Richard D. Truesdell, Jr., Esq. Li He Davis Polk & Wardwell LLP 450 Lexington Avenue New York, NY 10017 Telephone: (212) 450-4000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)			**Proposed maximum aggregate offering price(2)(3)**	**Amount of registration fee**
Ordinary Shares, $0.00001 par value			$	$

(1) American depositary shares issuable upon deposit of the ordinary shares registered hereby have been registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents ordinary shares.

(2) Includes the ordinary shares represented by American depositary shares that may be sold upon exercise of the underwriters' option to purchase additional shares.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Explanatory note

The sole purpose of this confidential Amendment No. 1 to the Draft Registration Statement on Form F-1 is to amend the Exhibit Index and to submit Exhibits 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8 and 10.9. Accordingly, this Amendment No. 1 consists only of the facing page, this explanatory note, Part II, including the signature page and the Exhibit Index, and the exhibits filed herewith. This Amendment No. 1 does not contain a copy of the prospectus that was included in the Draft Registration Statement on Form F-1 and is not intended to amend or delete any part of the prospectus.

Part II
Information not required in prospectus

Item 6. Indemnification of directors and officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering amended and restated articles of association that we expect to adopt to become effective immediately prior to the completion of this offering provide that we shall indemnify our directors and officers (each an indemnified person) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such person's own dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such indemnified person in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the indemnification agreements, the form of which will be filed as Exhibit 10.12 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent sales of unregistered securities

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions, Regulation D under the Securities Act, Rule 701 under the Securities Act or pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering. No underwriters were used in the below issuances.

1. On April 3, 2014, we issued 20,999,999 restricted ordinary shares and 500,000 ordinary shares to Samantha Du for an aggregate cash consideration of $50,210. On the same date, we issued 48,500,000 ordinary shares to Red Kingdom Investments Limited for an aggregate consideration of $141,971.

2. On August 20, 2014, we closed a private placement transaction pursuant to which we issued an aggregate of 50,800,001 Series A-1 preferred shares for an aggregate cash consideration of $8,028,572 and in consideration for the conversion of convertible loans amounting an aggregate consideration of $2,000,000.

3. On April 30, 2015, we issued a total of 57,719,866 Series A-2 preferred shares in connection with the second closing of the private placement transaction described above for an aggregate consideration of $20,828,572 of which $5,300,000 remained unpaid. On September 30, 2015 we cancelled 7,066,527 of these Series A-2 preferred shares and forgave the $2,550,000 unpaid capital balance.

4. On August 10, 2015, we issued 1,000,000 restricted ordinary shares to Peter Karl Wirth, which were credited as full paid.

5. On December 31, 2015, we granted a warrant to purchase 2,770,851 Series A-2 preferred shares at the purchase price of $0.3609 per share to OrbiMed Asia Partners II, L.P. for a period commencing on April 1, 2016 and ending on the earlier of (i) the sixth anniversary of the date of issuance of this warrant or (ii) 90 calendar days prior to the date on which we consummate this offering. No consideration was received by us in connection with the issuance of the warrant. As of the date of this prospectus, no Series A-2 preferred shares have been purchased by OrbiMed Asia Partners II, L.P. pursuant to this warrant.

6. On January 20, 2016, we closed a private placement transaction pursuant to which we sold an aggregate of 33,374,023 Series B-1 preferred shares for an aggregate consideration of $53,100,000 in cash.

7. On April 1, 2016, we issued a total of 23,838,588 Series B-2 preferred shares in connection with the second closing of the private placement transaction described above for an aggregate consideration of $53,100,000 in cash.

8. On July 15, 2016 and August 25, 2016, we issued an additional 350,000 and 450,000 restricted ordinary shares to Peter Karl Wirth, respectively, which were credited as fully paid.

9. On June 26, 2017, we closed a private placement transaction pursuant to which we sold an aggregate of 11,993,763 Series C preferred shares for an aggregate consideration of $30,000,000 in cash.

In addition to the above, since January 1, 2014, we have granted share options to purchase (i) an aggregate of 25,855,395 ordinary shares, each at an exercise price of $0.10 per share, (ii) an aggregate of 6,946,759 ordinary shares, each at an exercise price of $0.20 per share, (iii) an aggregate of 10,567,208 ordinary shares, each at an exercise price of $0.29 per share, and (iv) an aggregate of 977,983 ordinary shares, each at an exercise price of $0.50 per share, to our employees, consultants and directors. These grants were made pursuant to written compensatory plans or arrangements with our employees, consultants and directors in reliance upon the exemption provided by Rule 701 promulgated under the Securities Act or Section 4(a)(2) of the Securities Act for transactions by an issuer not involving a public offering or Regulation S under the Securities Act.

Item 8. Exhibits and financial statement schedules

(a) Exhibits

Exhibit number	Exhibit title
1.1*	Form of Underwriting Agreement
3.1*	Third Amended and Restated Memorandum and Articles of Association of Zai Lab Limited
4.1*	Form of Deposit Agreement
4.2*	Form of American Depositary Receipt (included in Exhibit 4.1)
4.3*	Registrant's Specimen Certificate for Ordinary Shares
5.1*	Form of opinion of Travers Thorp Alberga regarding the validity of the ordinary shares being registered

Exhibit number	Exhibit title
8.1*	Opinion of Travers Thorp Alberga regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2*	Opinion of Zhong Lun Law Firm regarding certain PRC tax matters (included in Exhibit 99.2)
10.1*#	Zai Lab Limited 2015 Equity Incentive Plan
10.2+	Collaboration, Development and License Agreement by and between Tesaro, Inc. and Zai Lab (Shanghai) Co., Ltd. dated September 28, 2016
10.3+	License Agreement by and between Bristol-Myers Squibb Company and Zai Lab (Hong Kong) Limited dated March 9, 2015
10.4+	License and Collaboration Agreement by and between Paratek Bermuda Ltd. and Zai Lab (Shanghai) Co., Ltd. dated April 21, 2017
10.5+	License and Transfer Agreement by and between GlaxoSmithKline (China) R&D Co., Ltd and Zai Lab (Shanghai) Co., Ltd. dated October 18, 2016
10.6+	Assignment and Assumption Agreement by and among GlaxoSmithKline (China) R&D Co., Ltd, Zai Lab (Shanghai) Co., Ltd. and Chengdu Bater Pharmaceutical Co., Ltd. dated October 13, 2016
10.7+	Assignment and Assumption Agreement by and among GlaxoSmithKline (China) R&D Co., Ltd, Zai Lab (Shanghai) Co., Ltd. and Traditional Chinese Medical Hospital, Xinjiang Medical University dated October 14, 2016
10.8+	License Agreement by and between Sanofi and Zai Lab (Hong Kong) Limited dated July 22, 2015
10.9+	License Agreement by and between UCB Biopharma SPRL and Zai Lab (Hong Kong) Limited dated September 17, 2015
10.10*#	Form of Executive Employment Agreement for Zai Lab (Hong Kong) Limited executive officers
10.11*#	Form of Executive Employment Agreement for Zai Lab (Shanghai) Co., Ltd. executive officers
10.12*	Form of Indemnification Agreement for Directors and Officers
21.1*	Subsidiaries of the registrant
23.1*	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent accounting firm, regarding the consolidated financial statements of Zai Lab Limited
23.2*	Consent of Travers Thorp Alberga (included in Exhibit 5.1)
23.3*	Consent of Zhong Lun Law Firm (included in Exhibit 99.2)
24.1*	Power of Attorney (included on signature page)
99.1*	Code of Ethics
99.2*	Opinion of Zhong Lun Law Firm regarding certain PRC law matters

* To be filed by amendment.

\+ Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been submitted separately to the Securities and Exchange Commission.

\# Management contract or compensatory plan or arrangement.

(b) Financial statement schedules

All schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 9. Undertakings

The undersigned Registrant hereby undertakes:

(1) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(4) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of , on , 2017.

ZAI LAB LIMITED

By: _____

Name:
Title:

* * *

Power of attorney

The undersigned directors and officers of Zai Lab Limited hereby appoint each of , as attorney-in-fact for the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 any and all amendments (including post-effective amendments) and exhibits to this registration statement on Form F-1 (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933) and any and all applications and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary or desirable, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____	Chief Executive Officer, Director (Principal Executive Officer)	, 2017
_____	Chief Financial Officer (Principal Financial Officer)	, 2017
_____	Director	, 2017
_____	Director	, 2017
_____	Director	, 2017

Signature of authorized representative in the United States

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Zai Lab Limited, has signed this registration statement or amendment thereto in on , 2017.

(Authorized U.S. Representative)

By: _____

Name:
Title:

Exhibit index

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* To be filed by amendment.

\+ Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been submitted separately to the Securities and Exchange Commission.

\# Management contract or compensatory plan or arrangement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.2

COLLABORATION, DEVELOPMENT AND LICENSE AGREEMENT

THIS COLLABORATION, DEVELOPMENT AND LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of September 28, 2016 (the "**Effective Date**"), by and between **TESARO, Inc.**, a Delaware corporation with a place of business at 1000 Winter Street, Suite 3300, Waltham, Massachusetts, United States of America, 02451 ("**TESARO Inc.**"), TESARO Development Ltd., a Bermuda corporation with a place of business at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda ("**TSRO Ltd.**", and together with "**TESARO Inc.**", "**TESARO**") and **Zai Lab (Shanghai) Co., Ltd.** having its principal office at 1043 Halei Road, Building 8, Suite 502, Pudong, Shanghai, P.R. China, 201203 ("**ZAI**"). TESARO and ZAI are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties.**"

RECITALS

WHEREAS, TESARO is developing a proprietary PARP inhibitor, Niraparib, and owns or controls certain patents, know-how and other intellectual property rights with respect to such compound; and

WHEREAS, ZAI is a company focusing on the development of innovative drug candidates, including immuno-oncology-focused drug-candidates, primarily in China; and

WHEREAS, ZAI desires to obtain an exclusive license from TESARO to develop and commercialize niraparib in China, and TESARO is willing to grant such a license to ZAI, all on the terms and conditions set forth herein;

WHEREAS, the parties desire to potentially co-market niraparib in China and to provide TESARO the right to exercise such co-marketing rights on the terms and conditions set forth herein; and

WHEREAS, TESARO desires to obtain an option to obtain an exclusive license from ZAI to research, develop, manufacture, and commercialize certain immune-oncology assets being developed by ZAI outside of China, and ZAI is willing to grant such an option on TESARO, all on the terms and conditions set forth herein.

NOW, THEREFORE in consideration of the foregoing and the mutual agreements set forth below, the Parties agree as follows.

1. DEFINITIONS

The terms in this Agreement with initial letters capitalized, whether used in the singular or the plural, shall have the meaning set forth below or, if not listed below, the meaning designated in places throughout this Agreement.

1.1 "**Affiliate**" of a Person means any other Person which (directly or indirectly) is controlled by, controls or is under common control with such Person, for so long as such control exists. For the purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to a Person means (a) direct or indirect ownership of voting securities entitled to cast more than fifty percent (50%) (or, if less than 50%, the maximum ownership interest permitted by Applicable Law) of the votes in the election of directors of such entity, or (b) the possession, directly or indirectly, of the power to direct the management and policies of such entity, whether through ownership of voting securities, by contract or otherwise.

1.2 "**Applicable Law**" means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of any federal, national, multinational, state, provincial, county, city or other political subdivision, agency or other body, domestic or foreign.

1.3 "**AZ Agreements**" means the following agreements between TESARO and AstraZeneca UK Limited ("**AZ**"): the Patent License Agreement dated October 4, 2012, between AZ (the Institute of Cancer Research) and TESARO; and the Patent License Agreement dated October 4, 2012, between AZ (University of Sheffield) and TESARO.

1.4 "**Business Day**" or "**business day**" means a day other than Saturday, Sunday or any day on which commercial banks located in Shanghai, China or New York City, New York, U.S. (as applicable) are authorized or obligated by Applicable Law to close.

1.5 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.6 "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.7 "**CDE**" means the Chinese Center for Drug Evaluation.

1.8 "**CFDA**" means the China Food and Drug Administration, or any successor agency with a similar scope of responsibility regarding the regulation of human pharmaceutical products in China.

1.9 "**China**" means mainland China, Hong Kong and Macau.

1.10 "**Commercialization**" or "**Commercialize**" means all activities directed to marketing, distributing, detailing or selling a Licensed Product (as well as importing and exporting activities in connection therewith), including all activities directed to obtaining pricing approvals.

1.11 "**Commercially Reasonable Efforts**" means the performance of obligations or tasks in a manner consistent with the reasonable practices of companies in the biopharmaceutical industry having similar financial resources for the Development or Commercialization (as applicable) of a product having similar technical and regulatory factors and similar market potential, profit potential and strategic value, and that is at a similar stage in its Development or product life cycle as the Licensed Product, in each case based on conditions then prevailing and without regard to any competitive internal program of Licensee. Commercially Reasonable Efforts requires that the Party (a) promptly assign responsibility for such obligations to specific employees who are held accountable for progress and monitoring such progress on an ongoing basis, (b) set and consistently seek to achieve specific and meaningful objectives for carrying out such obligations, and (c) consistently make and implement decisions and allocate adequate resources designed to advance progress with respect to such obligations.

1.12 "**Confidential Information**" means all information, including trade secrets, processes, formulae, Data, know-how, improvements, inventions, chemical or biological materials, assays, techniques, marketing plans, strategies, customer lists, or other information that has been disclosed by or on behalf of one Party to the other Party under this Agreement, regardless of whether any of the foregoing are marked "confidential" or "proprietary" or communicated in oral, written, graphic, or electronic form, or by visual inspection.

1.13 "**Controlled**" or "**Controls**", when used in reference to any particular subject matter including Patents, know-how, tangible materials or other intellectual property rights, means the legal authority or right of a Party to grant a license or sublicense to such subject matter to another Party, or to otherwise provide such other Party the right to access and use such subject matter, whether arising by ownership, license, or other authorization, without breaching the terms of any written agreement with a Third Party under which such Party first acquired rights to such subject matter, or misappropriating the proprietary or trade secret information of a Third Party.

1.14 "**Cover,**" "**Covered**" or "**Covering**" means, with respect to a Patent, that, but for rights granted to a Person under such Patent, the practice by such Person of an invention claimed in such Patent would infringe a Valid Claim included in such Patent, or in the case of a Patent that is a patent application, would infringe a Valid Claim in such patent application if such claim were to issue in a patent as then prosecuted.

1.15 "**Data**" means pre-clinical, clinical, chemical, manufacturing and analytical data and any other data and information generated or resulted from the Development or Commercialization of the Licensed Compounds or Licensed Products.

1.16 "**Development**" means, with respect to a Licensed Product, all processes and activities that are reasonably required to obtain Regulatory Approval of such Licensed Product, including, without limitation, toxicology, pharmacology and other pre-clinical efforts, test method development and stability testing, statistical analysis, clinical studies and regulatory activities. When used as a verb, "**Develop**" means to engage in Development.

1.17 "**Dollar(s)**" or "**$**" means the lawful currency of the United States.

1.18 "**Executive Officer**" means, (a) in the case of TESARO, TESARO's Chief Executive Officer; and (b) in the case of ZAI, ZAI's Chief Executive Officer.

1.19 "**FDA**" means the U.S. Food and Drug Administration, or any successor agency of the U.S. government with a similar scope of responsibility regarding the regulation of human pharmaceutical products.

1.20 "**Field**" means the treatment, diagnosis and prevention of any diseases or conditions in humans, other than the treatment, diagnosis and prevention of prostate cancer.

1.21 "**First Commercial Sale**" means, with respect to any Licensed Product, the first sale of such Licensed Product by ZAI or its Affiliates or sublicensees to an unrelated Third Party in the ZAI Territory after Regulatory Approval of such Licensed Product has been granted in the ZAI Territory. For clarity, First Commercial Sale does not include the supply or transfer of Licensed Product to an Affiliate or sublicensee or for clinical trials, compassionate use or sales made on a named-patient basis.

1.22 "**Follow-on Compound**" means a Licensed Compound other than Niraparib.

1.23 "**GCP**" means the Good Clinical Practice for Drugs (i.e. 药物临床试验质量管理规范) promulgated by CFDA effective as of September 1, 2003, together with any guidelines and/or implementation rules issued by CFDA in connection thereto, in each case as amended from time to time.

1.24 "**Government Official**" means: (a) any officer or employee of a government or any department, agency or instrument of a government; (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government; (c) any officer or employee of a company or business owned in whole or part by a government; (d) any officer or employee of a public international organization such as the World Bank or United Nations; (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or (f) any candidate for political office; who, when such Government Official is acting in an official capacity, or in an official decision-making role, has responsibility for performing regulatory inspections, government authorizations or licenses, or otherwise has the capacity to make decisions with the potential to affect the business of either of the Parties.

1.25 "**Indication**" means, with respect to a Licensed Compound or Licensed Product, the use of that Licensed Compound or Licensed Product for the treatment, prevention, mitigation or cure of any cancer with a particular organ of origin. Indications will be deemed the same for purposes of this Agreement if the subject cancers have the same organ of origin even if

they are, for example, of a different histologic or genetic subtype or line of therapy (e.g., breast cancer, 1st line and 2nd line therapies for ovarian cancer), and will be deemed different if the subject cancers have different organs of origin (e.g., breast cancer and ovarian cancer). Among non-solid tumor cancers, Indications for leukemia, lymphoma and multiple myeloma, but not their subtypes or lines of therapy, shall be considered different Indications.

1.26 "**Invention**" means any and all inventions and improvements, whether or not patentable, that are conceived or reduced to practice or otherwise made or discovered by or on behalf of a Party (and/or its Affiliates) (whether alone or jointly) in the performance of its obligations, or the exercise of its rights, under this Agreement, including but not limited to, processes, methods, compositions of matter, formula, formulations, articles of manufacture, discoveries or findings, compounds, products, biological materials, cell lines, samples of assay components, media, designs, ideas, programs, software models, algorithms, developments, experimental works, compilations of data, in each case relating to Licensed Compound and Licensed Products.

1.27 "**Joint Invention**" means any Invention invented, made or discovered jointly by both Parties.

1.28 "**Licensed Compound**" means TESARO's proprietary PARP inhibitor known as Niraparib, having chemical structure set forth in **Exhibit A**, and any pharmaceutically acceptable salt, polymorph, crystal form, prodrug or solvate thereof.

1.29 "**Licensed Product**" means any pharmaceutical product containing the Licensed Compound, in all forms, presentations, formulations and dosage forms, for use in the Field.

1.30 "**Merck Agreement**" means that certain License Agreement between TESARO and Merck, Sharp & Dohme Corp. ("**Merck**"), dated May 22, 2012, as amended from time to time.

1.31 "**NDA**" means a new drug application or marketing authorization application filed with the applicable Regulatory Authority in a country or jurisdiction, which application is required for marketing approval for a Licensed Product in the Field in such country or jurisdiction.

1.32 "**Net Sales**" means, with respect to any Licensed Product, the amount invoiced by ZAI, its Affiliates or sublicensees for the sales of such Licensed Product to a Third Party in the ZAI Territory less:

(a) trade and quantity discounts other than early payment cash discounts;

(b) returns, rebates, chargebacks and other allowances;

(c) retroactive price reductions that are actually allowed or granted;

(d) sales commissions paid to Third Party distributors and/or selling agents;

(e) deductions to gross invoice price of Product imposed by Regulatory Authorities or other governmental entities;

(f) a fixed amount equal to three percent (3%) of the amount invoiced to cover bad debt, early payment cash discounts, transportation and insurance and custom duties; and

(g) the standard inventory cost of devices or delivery systems used for dispensing or administering Product.

If a Licensed Product is sold as part of a combination that (i) contains the Licensed Compound and at least one additional therapeutically active ingredient that is not a Licensed Compound; or (ii) is product consisting of one or more separate drugs, devices, tests, kits or biological products and sold together with a Licensed Product in a single package or as a unit (a "**Combination Product**"), the Net Sales of such Licensed Product for the purpose of calculating royalties owed under this Agreement for sales of such Licensed Product, shall be determined as follows: first, determine the actual Net Sales of such Combination Product (using the above provisions) and then such amount shall be multiplied by the fraction A/(A+B), where A is the average gross selling price in the applicable country of the Licensed Compound sold separately, if sold separately, in the same formulation and dosage, and B is the sum of the average gross selling prices in the applicable country of each other active ingredient, drug, device, test, kit or biological product in the Combination Product sold separately, if sold separately, in the same formulation, dosage or unit quantity. If any active ingredient, drug, device, test, kit or biological product in the Combination Product is not sold separately in the relevant formulation, dosage or unit quantity, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product by the fraction A/C where A is the average gross selling price in the applicable country of such Licensed Compound sold separately in the same formulation and dosage and C is the average gross selling price in the applicable country of such Combination Product. If neither the Licensed Compound nor any other active ingredient, drug, device, test, kit or biological product in the Combination Product is sold separately in the relevant formulation, dosage or unit quantity, the adjustment to Net Sales shall be determined by the Parties in good faith to reasonably reflect the fair market value of the contribution of the Licensed Compound in the Combination Product to the total fair market value of such Combination Product.

1.33 "**Patents**" means all of the following, whether existing as of the Effective Date or during the Term, anywhere in the world: (a) patents and patent applications, (b) all priority applications, provisionals, divisionals, continuations, and continuations-in-part of any of the foregoing, and (c) all patents issuing on any of the foregoing patent applications, together with all inventor's certificates, substitutions, validations, registrations, reissues, renewals, reexaminations, confirmations, supplementary protection certificates, and extensions of any of (a), (b) or (c).

1.34 "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, business trust, joint venture company, governmental authority, association or other entity.

1.35 "**Phase 3 Clinical Trial**" means a clinical trial of a Licensed Product in human patients with a defined dose or a set of defined doses designed to ascertain efficacy and safety of such Licensed Product for the purpose of enabling the preparation and submission of NDA to the competent Regulatory Authorities, as further defined in 21 C.F.R. 312.21(c), as amended from time to time, or the corresponding foreign regulations.

1.36 "**Regulatory Approval**" means all approvals, including if required by Applicable Law, pricing approvals, necessary for the manufacture, marketing, importation, exportation and sale of a Licensed Product in the ZAI Territory, which may include, without limitation, satisfaction of all applicable regulatory and notification requirements.

1.37 "**Regulatory Authority**" means any federal, national, supranational, state, provincial or local regulatory agency, department, bureau or other governmental authority, including, without limitation, the CDE and the CFDA, that has authority over the manufacture, Development, Commercialization or other use or exploitation (including the granting of Regulatory Approval) of any Licensed Product in any applicable regulatory jurisdiction.

1.38 "**Regulatory Materials**" means materials developed or compiled in preparation for Regulatory Authority meetings, regulatory applications, submissions, dossiers, notifications, registrations, Regulatory Approvals and/or other filings made to or with, or other approvals granted by, a Regulatory Authority that are necessary or reasonably desirable for the Development, manufacture, market, sale, or Commercialization of a Licensed Product in a particular regulatory jurisdiction.

1.39 "**Sole Invention**" means any Invention invented or discovered solely by or on behalf of a Party following the Effective Date, including by its employees, contractors and/or agents.

1.40 "**Subcontractor**" means a Third Party engaged by ZAI for the purpose of conducting clinical Development for Licensed Products, contract manufacturing, toxicology testing and other related Development Activities, solely at the direction, and on behalf of, ZAI.

1.41 "**TESARO IP**" means TESARO Know-How and TESARO Patents.

1.42 "**TESARO Know-How**" means all technical information, data and know- how Controlled by TESARO or its Affiliates as of the Effective Date or during the Term (including, without limitation, all biological, chemical, pharmacological, toxicological or clinical know-how, Data and trade secrets) that are reasonably necessary for the Development, manufacture or Commercialization of the Licensed Compound or Licensed Product in the ZAI Territory. TESARO Know-How shall also include the (a) intangible knowledge and information conveyed to ZAI as set forth in Section 4.1 and (b) TESARO's right and interest in and to any Joint Inventions. TESARO Know-How does not include TESARO Patents.

1.43 "**TESARO Patents**" means all Patents Controlled by TESARO or its Affiliates as of the Effective Date or during the Term that relate to the ZAI Territory and that Covers (a) the compositions of matter of the Licensed Compound or Licensed Product; (b) methods or processes directed to the manufacture of the Licensed Compound or Licensed Product; or (c) methods of use, administration or formulation of the Licensed Compound or Licensed Product, including without limitation, the Patents that are listed in **Exhibit B** hereto. TESARO Patents shall also include TESARO's rights and interest in and to any Joint Patents.

1.44 "**TESARO Territory**" means all countries and territories in the world other than those countries and territories included in the ZAI Territory.

1.45 "**Territory**" means (a) with respect to TESARO, the TESARO Territory and (b) with respect to ZAI, the ZAI Territory.

1.46 "**Third Party**" means any Person other than: ZAI, TESARO, and their respective Affiliates.

1.47 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including, without limitation, Puerto Rico).

1.48 "**Upstream Agreements**" means the AZ Agreements and the Merck Agreement.

1.49 "**Upstream Licensors**" means Astra Zeneca and Merck.

1.50 "**Valid Claim**" means a claim of (a) an issued and unexpired patent, which claim has not been held invalid or unenforceable by a court or other government agency of competent jurisdiction from which no appeal can be or has been taken and has not been held or admitted to be invalid or unenforceable through re-examination or disclaimer, opposition procedure, nullity suit or otherwise, or (b) a pending patent application; *provided*, *however*, that if a claim of a pending patent application shall not have issued within seven (7) years after the earliest filing date from which such claim takes priority, such claim shall no longer constitute a Valid Claim for the purposes of this Agreement unless and until a patent issues with such claim.

1.51 "**ZAI Territory**" means China.

1.52 Additional Definitions. The following table identifies the location of definitions set forth in various Sections of the Agreement:

Defined Terms	Section
Alliance Managers	3.7
Claim	12.1
Development Plan	5.2
Disclosing Party	11.1
Excluded Claim	14.3
Force Majeure	15.3
ICC	14.2
Infringement	10.3(a)
Joint Patents	10.1(a)
Joint Steering Committee or JSC	3.1

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Pharmacovigilance Agreement	5.7
Prior CDA	11.6
Receiving Party	11.1
Remedial Action	5.8
Royalty Term	8.3(b)
Term	13.1
Working Team	3.7

2. LICENSE GRANT

2.1 License to ZAI. TESARO hereby grants to ZAI an exclusive (but subject to TESARO's retained right under Section 2.2 below), royalty bearing and sublicenseable (in accordance with Section 2.3 below) license under the TESARO IP to Develop, make, have made, use, offer for sale, sell, have sold, import and otherwise Commercialize the Licensed Compound and Licensed Products in the Field in the ZAI Territory.

2.2 Retained Rights. Subject to the terms and conditions of this Agreement, TESARO retains: (a) the right to practice the TESARO IP within the scope of the license granted to ZAI under Section 2.1 to perform TESARO's obligations under this Agreement; (b) the right to practice and license the TESARO IP outside the scope of the license granted to ZAI under Section 2.1.

2.3 Sublicense. ZAI shall have the right to grant sublicenses, under the license granted by TESARO to ZAI under Section 2.1 to its Affiliates, subcontractors and other Third Parties; provided, that TESARO provides its prior written consent to such sublicense granted to any Third Parties, such consent not to be unreasonably withheld, conditioned or delayed; and provided further, that a sublicense to an Affiliate shall not require TESARO's consent only for so long as such Affiliate remains an Affiliate of ZAI. Each sublicense agreement shall be consistent with, and shall be subject to, the terms and conditions of this Agreement, and ZAI shall remain responsible for the performance of its obligations under this Agreement, regardless of whether ZAI may have delegated those obligations to its sublicensees. ZAI shall, within thirty (30) days after granting any sublicense, notify TESARO of the grant of such sublicense and provide TESARO with a copy of such sublicense, which may be redacted to remove any sensitive information not necessary for TESARO to verify its compliance with the terms of this Agreement.

2.4 No Implied Licenses, Negative Covenant. Except as expressly set forth herein, neither Party shall acquire any license or other right or interest, by implication or otherwise, under any know-how, patents, trademarks, copyrights, or any other intellectual property of the other Party. ZAI covenants that it will not, and it will not permit any of its Affiliates or sublicensees to, use or practice any TESARO IP outside the scope of the license granted to it under Section 2.1 above.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

2.5 Subcontracting. Notwithstanding Section 2.3, ZAI shall have the right to engage Subcontractors to perform Development and manufacturing activities hereunder, without the prior written consent of TESARO, subject to the provisions of this Section 2.5. ZAI shall enter into an appropriate written agreement with any subcontractor such that (i) such contractor shall be bound by provisions that are consistent with all applicable provisions of this Agreement to the same extent as ZAI, (ii) any such contractor to whom ZAI discloses Confidential Information of TESARO shall enter into an appropriate written agreement obligating such contractor to be bound by obligations of confidentiality and restrictions on use of such TESARO Confidential Information that are no less restrictive than the obligations in this Agreement, and (iii) such contractor agrees to assign or license (with the right to grant sublicenses) to ZAI any inventions related to the Licensed Compound or Licensed Product(s) (and any Patent covering such inventions) made by such contractor in performing such Development or manufacturing work for ZAI. ZAI shall not use as a Subcontractor any Third Party identified by TESARO to ZAI in writing, as a prohibited Subcontractor, provided that if ZAI obtains TESARO's written approval to engage any particular Subcontractor(s), then TESARO shall not have the right to subsequently designate such Subcontractor(s) as prohibited Subcontractor(s).

2.6 Right of First Negotiation. On the condition that ZAI is in compliance with the terms and conditions of this Agreement, TESARO hereby grants ZAI the right of first negotiation to obtain a license to Develop and Commercialize in the Field in the ZAI Territory any Follow-on Compound; provided, that TESARO is also Developing such follow-on compound and TESARO has dosed the first patient in a Phase 1 Clinical Trial with such Follow-on Compound. With respect to each Follow-on Compound, TESARO shall provide written notice to ZAI before filing any IND for such compound, which notice shall include a reasonably detailed summary of the pre-clinical data generated during the research and development of such compound. If ZAI notifies TESARO within thirty (30) days after the receipt of such notice that it is interested in obtaining a license to develop and commercialize such compound in the Field in the Territory, then TESARO shall negotiate in good faith and exclusively with ZAI for a period of sixty (60) days the terms and conditions of such license. If the parties fail to reach agreement on the terms and conditions of such a license within such ninety (90) days, TESARO may enter into discussion with and grant such a license to any Third Party and/or develop and commercialize such compound in the Field in the Territory by itself.

2.7 PARP Inhibitor Exclusivity. As partial consideration for TESARO granting to ZAI the license set forth in Section 2.1, during the Term, ZAI shall not, and shall cause its Affiliates to not, itself or in cooperation with or through others, discover, research, develop, manufacture or commercialize any PARP Inhibitor other than the Licensed Compounds and Licensed Product hereunder. In the event ZAI wishes to obtain the right (by licensing, merger or acquisition or otherwise) to discover, research, develop, manufacture or commercialize any PARP Inhibitor other than the Licensed Compounds and Licensed Products, ZAI shall notify TESARO in writing, and TESARO may determine, in its sole discretion, [*].

2.8 Co-Marketing Right. (a) Notwithstanding anything in this Agreement to the contrary, TESARO shall have an exclusive right to co-promote each Licensed Product in the Field in the ZAI Territory (the "**Co-Promote Right**") on the terms set forth in this Section 2.8. TESARO shall provide written notice to ZAI of its intent to exercise the foregoing Co-Promote Right with respect to a Licensed Product no later than twelve months prior to the First Commercial Sale of such Licensed Product in the ZAI Territory (the "**Co-Promote Notice**"). The Co-Promote Notice shall include TESARO's written commitment to the following [*].

(b) For a period of ninety (90) days following ZAI's receipt of a Co-Promote Notice, TESARO and ZAI will negotiate in good faith commercially reasonable terms [*] upon which the parties would co-promote the applicable Licensed Product in the ZAI Territory. If TESARO does not deliver a Co-Promote Notice for a Licensed Product to ZAI within the applicable twelve-month period prior to First Commercial Sale of such Licensed Product, then TESARO shall be deemed to have waived its rights under this Section 2.8 solely with respect to the applicable Licensed Product. If TESARO and ZAI do not mutually agree on the terms upon which the parties would co-promote the applicable Licensed Product in the ZAI Territory within the ninety (90) day negotiation period described above, then the matter shall be referred to the Parties' Executive Officers, who shall meet promptly (either in person or via teleconference) and negotiate in good faith in an attempt to come to an agreement. If the Executive Officers cannot come to an agreement within fifteen (15) days, then the final terms of the co-promote shall be determined in accordance with the binding arbitration procedure set forth in Section 14.2, except that the arbitrator's decision will be limited to selecting either the terms proposed by TESARO or the terms proposed by ZAI, and such determination shall be final and binding on, and non-appealable by, the Parties.

3. GOVERNANCE

3.1 Establishment of JSC. The Parties will establish a joint steering committee to review and oversee the Development and Commercialization of the Licensed Compounds and Licensed Products and to coordinate the Parties' activities under this Agreement (the "**Joint Steering Committee**" or "**JSC**"). Within thirty (30) days after the Effective Date, each Party shall appoint two (2) representatives to the JSC, each of which shall have sufficient seniority and relevant expertise to make decisions within the scope of the JSC's responsibilities. The JSC may change its size from time to time by mutual consent of the Parties; provided, that the JSC will consist at all times of an equal number of representatives of each of ZAI and TESARO. Each Party may at any time replace its JSC representatives upon written notice to the other Party.

3.2 Co-Chairpersons of JSC. Each of ZAI and TESARO will select from their representatives a co-chairperson for the JSC, and each Party may change its designated co- chairperson from time to time upon written notice to the other Party. The co-chairpersons of the JSC will be responsible for calling meetings, preparing and circulating an agenda and relevant materials (including drafts of, updates to, or any proposed changes to a Development Plan) to the other Party at least ten (10) business days in advance of each meeting, and preparing and issuing minutes of each meeting within ten (10) business days thereafter.

3.3 JSC Responsibilities. The JSC shall be responsible for:

(a) coordinating the activities of the Parties under this Agreement and providing a forum for and facilitate communications between the Parties under this Agreement;

(b) reviewing, discussing and approving changes to the Development Plan, overseeing the implementation of the Development Plan, and reviewing and discussing the data and results of the Development activities under the Development Plan, in each case, subject to the provisions of Section 3.5, below,

(c) reviewing and discussing the Commercialization Plan and Commercialization of the Licensed Products in the ZAI Territory;

(d) reviewing, discussing and coordinating scientific presentations and publication plans with respect to the Licensed Compound, Licensed Product and any results arising therefrom during the course of the Development Plan in the ZAI Territory, and

(e) performing such other functions as appropriate to further the purposes of this Agreement, as expressly set forth in this Agreement or allocated to it by the Parties in writing by mutual agreement.

3.4 JSC Meetings. The JSC will hold meetings (either in-person or by teleconference or videoconference) at such times and places as the co-chairpersons may reasonably determine, *provided* that, unless the Parties agree otherwise, the JSC will meet quarterly and only by teleconference, videoconference or some other electronic means. Each Party will bear its own costs associated with attending meetings. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the JSC meetings in a non-voting capacity. Each individual attending any JSC meeting hereunder (whether as a JSC member or invitee) shall be bound by written non-use, non-disclosure terms and conditions at least as restrictive as those set forth in this Agreement with respect to the Confidential Information of the other Party (for clarity, this may be through employment agreements with such individuals).

3.5 JSC Authority; Limitations. Day-to-day operational level decisions concerning the Development, manufacture and Commercialization of the Licensed Compounds and Licensed Products in the ZAI Territory shall be made by ZAI. Material updates or changes to the Development Plan, including (for clarity) any new clinical protocols or material changes to an approved clinical protocol or material changes to strategy with respect to regulatory activities in the ZAI Territory, shall require approval of the JSC. The members of each Party on the JSC shall collectively have one vote. Except as otherwise provided in this Section 3.5, decisions of the JSC shall be made by unanimous vote, *provided* that at least one (1) representative from each Party participates in such vote. If the JSC does not reach unanimity with respect to a particular matter, and the JSC is unable to resolve the dispute after endeavoring for fifteen (15) business days to do so, then either Party may, by written notice to the other, have such matter referred to the Parties' Executive Officers, who shall meet promptly (either in person or via teleconference) and negotiate in good faith to resolve the dispute. If the Executive Officers cannot resolve on such dispute within fifteen (15) days, then ZAI shall have the final decision making authority on such matter to the extent the matter that is the subject of the dispute relates solely to the Development, manufacture or Commercialization of the Licensed Compounds or the Licensed Products in the ZAI Territory and does not impact the Development, manufacture or Commercialization of the Licensed Compounds or the Licensed Products in the TESARO Territory.

3.6 Limitations on authority of JSC. The JSC will have sole authority with respect to the responsibilities assigned to such committees in Section 3.3 and elsewhere in this Agreement. The JSC shall not have any authority to amend, modify or waive compliance with this Agreement. For clarity, neither TESARO nor ZAI will have any right to unilaterally modify, amend or waive its own compliance with the terms of this Agreement.

3.7 Alliance Managers. Each Party shall appoint a single individual to act as the primary point of contact between the Parties in connection with the Development and Commercialization of the Licensed Compound and Licensed Product(s) (the "**Alliance Managers**"). Each Party may at any time appoint a different Alliance Manager by written notice to the other Party and may elect, upon mutual agreement by the Parties, to eliminate the responsibilities of the Alliance Managers. The Alliance Managers will (i) use good faith efforts to attend all meetings of the JSC, any may also serve as voting members of the JSC, and (ii) be the first point of referral for all matters of conflict resolution, and bring disputes to the attention of the JSC in a timely manner.

4. TECHNOLOGY TRANSFER

4.1 Know-How. Promptly after the Effective Date, TESARO shall, to the extent not already delivered to ZAI, deliver to ZAI an electronic copy (either a CD-ROM or access to a secured electronic database) of all material TESARO Know-How relating the Licensed Compound or Licensed Products in the ZAI Territory existing as of the Effective Date. If any additional material TESARO Know-How relating the Licensed Compound or Licensed Products in the ZAI Territory comes into TESARO's Control during the Term of this Agreement (including any Data resulting from the Development of the Licensed Compounds and Licensed Products in TESARO Territory), TESARO shall promptly notify ZAI and deliver an electronic copy thereof to ZAI. In addition, if at any time during the Term of this Agreement, ZAI identifies particular documents, data or information that are within the TESARO Know-How, but were not previously delivered to ZAI, including without limitation materials requested in connection with an audit or other inquiry by a Regulatory Authority relating to the Development, manufacture and/or Commercialization of the Licensed Compounds and Licensed Products, TESARO shall use reasonable efforts to promptly provide such material to ZAI upon request.

4.2 Materials. As soon as practicable after the Effective Date but in no event later than the applicable deadline set forth in **Exhibit C**, TESARO shall provide to ZAI [*] the quantities of Licensed Compounds, Licensed Products and other materials as listed in **Exhibit C** to this Agreement. **Exhibit C** shall also set forth the cost to be paid by ZAI for the materials provided by TESARO. In connection with the supply of such Licensed Compounds, Licensed Products and materials, TESARO shall also provide ZAI with relevant documents, including batch records, certificate of analysis and certificate of compliance. All such materials provided by TESARO hereunder shall not be used by ZAI for any purpose other than Development, manufacture or Commercialization of the Licensed Compound and Licensed Product(s) in the ZAI Territory in accordance with this Agreement.

4.3 Technical Assistance. For a period of six (6) months after the Effective Date, TESARO shall provide ZAI with reasonable technical assistance to help ZAI to understand and use the TESARO Know-How to Develop and manufacture the Licensed Compounds and Licensed Products. Such technical assistance shall include reasonable access, by teleconference or in-person at TESARO's facilities (subject to TESARO's customary rules and restrictions with respect to site visits by non-TESARO personnel), to TESARO personnel familiar with research, development and manufacture of the Licensed Compounds and Licensed Products, including CMC expertise in connection with the manufacture of the Licensed Compounds and Licensed Products.

4.4 Costs. [*].

5. DEVELOPMENT

5.1 General. ZAI shall be solely responsible for the Development of the Licensed Products in the Field throughout the Territory, at its own cost and expense. ZAI shall use Commercially Reasonable Efforts to Develop the Licensed Products to obtain Regulatory Approval in the ZAI Territory, including but not limited to, using Commercially Reasonable Efforts to carry out Development (including regulatory activities as set forth in Section 5.5) of the Licensed Products in accordance with the Development Plan and in compliance with Applicable Law, including GCP.

5.2 Development Plan. The Development of the Licensed Product(s) in the ZAI Territory shall be conducted by ZAI pursuant to a Development plan that will include a description of the Development activities to be performed in support of the Regulatory Approval of the Licensed Product(s) in the ZAI Territory, including projected timelines for completion of such activities (the "**Development Plan**"). The initial Development Plan agreed to by the Parties is attached hereto as **Exhibit D**. Any material changes to the Development Plan shall be drafted by ZAI and shared with TESARO, including the addition of any clinical trial protocols or any material changes thereto, and shall require the approval of TESARO (such approval not to be unreasonably withheld). In the event of any proposed change to the Development Plan as a result of any interaction with any Regulatory Authority, the JSC shall meet as promptly as practicable to review and discuss any such proposed changes and determine an appropriate revision (if any) to the Development Plan.

5.3 Development Records and Reporting.

(a) Records. ZAI shall maintain complete and accurate records of all work conducted by or on behalf of ZAI in furtherance of the Development of Licensed Product(s) and all material results, Data and developments made in conducting such activities. Such records shall be maintained in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and in accordance with Applicable Law.

(b) Reporting. ZAI will provide to TESARO, a written report at least once each calendar quarter, in English, describing in reasonable detail ZAI's activities and progress related to the Development of the Licensed Products in the ZAI Territory pursuant to the Development Plan. ZAI shall promptly respond to TESARO's reasonable questions or requests for additional information relating to such Development activities.

5.4 Data Sharing and Use.

(a) Data Sharing. In addition to the adverse event and safety report reporting obligations under Section 5.7 below, each Party shall promptly provide the other Party with copies of all material Data and results generated from its (including its Affiliates', licensees' and sublicensees') Development of the Licensed Compounds and Licensed Products in its Territory to the extent necessary for the Development of the Licensed Compounds and Licensed Products in the other Party's Territory.

(b) Use by ZAI. ZAI shall have the right to use and reference any material Data (including related Regulatory Materials) generated from the Development of the Licensed Compounds and Licensed Products in the TESARO Territory (which shall be automatically included in TESARO IP) in support of obtaining Regulatory Approvals for the Licensed Product(s) in the ZAI Territory. ZAI may use and reference all such material Data to Develop, manufacture and Commercialize the Licensed Compounds and Licensed Products in the ZAI Territory, without additional payment or compensation to TESARO.

(c) Use by TESARO. ZAI shall, as part of the license to TESARO under ZAI Inventions pursuant to Section 10.1(b), provide the right for TESARO to use and reference the material Data generated from the Development of the Licensed Compounds and Licensed Products in the ZAI Territory in support of obtaining Regulatory Approvals for the Licensed Product(s) in the TESARO Territory.

5.5 Regulatory Activities. ZAI shall apply for (and maintain), at ZAI's cost and expense, all Regulatory Approvals of Licensed Products in the ZAI Territory. ZAI shall be responsible for the preparation of all Regulatory Materials and all communications and interactions with Regulatory Authorities with respect to the Licensed Products in the ZAI Territory, both prior to and subsequent to Regulatory Approval. ZAI shall file all required regulatory dossiers to obtain (and maintain) Regulatory Approvals of the Licensed Products in the ZAI Territory, and will be the holder of such Regulatory Approvals.

5.6 Regulatory Materials and Meetings. ZAI shall promptly provide TESARO with an electronic copy of all Regulatory Materials and correspondence with Regulatory Authorities by ZAI with respect to the Development of the Licensed Products in the ZAI Territory. During the time period that ZAI is conducting the Development Plan, to the extent legally permissible and practicable, ZAI shall provide TESARO prior notice with respect to all meetings, conferences and discussions with Regulatory Authorities (including advisory committee meetings and any other meeting of experts convened by a Regulatory Authority) regarding the Licensed Product(s), provided however, ZAI is not obligated to provide TESARO prior notice for meetings, conferences or discussions with Regulatory Authorities that are informal or not previously scheduled. ZAI shall provide such notice within five (5) Business Days after ZAI receives notice of the scheduling of such meeting, conference, or discussion. TESARO shall be entitled to be present at (but not to participate in, unless requested by ZAI or the Regulatory Authority) all such meetings, conferences or discussions with Regulatory Authorities to the extent permitted under Applicable Laws, *provided, however*, in the event that, in ZAI's reasonable judgment, TESARO's presence in any such meeting, conference or discussion will negatively affect the outcome of such meeting, conference or discussion, TESARO shall defer to ZAI's reasonable judgment.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

5.7 Pharmacovigilance. Within ninety (90) days after the Effective Date, the Parties shall define and finalize the actions that the Parties shall employ with respect to the Licensed Compounds and Licensed Products to protect patients and promote their well-being in a written pharmacovigilance agreement (the "**Pharmacovigilance Agreement**"). These responsibilities shall include mutually acceptable guidelines and procedures for the receipt, investigation, recordation, communication, and exchange (as between the Parties) of adverse event reports, pregnancy reports, and any other information concerning the safety of any Licensed Product. Such guidelines and procedures shall be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under Applicable Laws. Furthermore, such agreed procedure shall be consistent with relevant ICH guidelines, except where said guidelines may conflict with existing local regulatory reporting safety reporting requirements, in which case local reporting requirement shall prevail. Each Party shall be responsible for reporting quality complaints, adverse events and safety data related to a Licensed Product to applicable Regulatory Authorities in its Territory, as well as responding to safety issues and to all requests of Regulatory Authorities relating to a Licensed Product in its Territory. The Pharmacovigilance Agreement shall also provide for a worldwide safety database to be maintained by TESARO at its cost. Each Party hereby agrees to comply with its respective obligations under such Pharmacovigilance Agreement and to cause its Affiliates and permitted sublicensees to comply with such obligations.

5.8 Remedial Actions. Each Party will notify the other Parties immediately, and promptly confirm such notice in writing, if it obtains information indicating that any Licensed Product may be subject to any recall, corrective action or other regulatory action with respect to such product taken by virtue of Applicable Law (a "**Remedial Action**"). The Parties will assist each other in gathering and evaluating such information as is necessary to determine the necessity of conducting a Remedial Action. Each Party shall, and shall ensure that its Affiliates and sublicensees will, maintain adequate records to permit the Parties to trace the manufacture, distribution and use (to the extent possible) of the Licensed Products. As between the Parties, ZAI shall have sole discretion with respect to any matters relating to any Remedial Action for the Licensed Product in the ZAI Territory and TESARO shall have sole discretion with respect to any matters relating to any Remedial Action for the Licensed Product in the TESARO Territory. In the event that a Party determines that any Remedial Action with respect to the Licensed Product in its Territory should be commenced, or if Remedial Action is required by any Regulatory Authority having jurisdiction over the matter in its Territory, such Party will control and coordinate all efforts necessary to conduct such Remedial Action and shall be responsible for all cost and expense of such Remedial Action in its territory.

6. COMMERCIALIZATION

6.1 General. ZAI shall have the sole right to and responsibility for the Commercialization of Licensed Products in the ZAI Territory, including manufacturing, selling, distributing and invoicing Licensed Products and would book one hundred percent (100%) of the sales, in the ZAI Territory. ZAI shall use Commercially Reasonable Efforts to Commercialize the Licensed Products in the ZAI Territory after Regulatory Approval has been obtained, and shall conduct its Commercialization activities with respect to the Licensed Products in accordance with Applicable Law.

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6.2 Coordination of Commercialization Activities.

(a) General. The Parties recognize that they may benefit from the coordination of certain activities in support of the Commercialization of the Licensed Products in the ZAI Territory. As such, the Parties will coordinate such activities where appropriate and as such coordination may be mutually agreed by the Parties. ZAI shall update TESARO in writing on a quarterly basis, through the JSC, of the expected timing of the commercial launch and First Commercial Sale of each Licensed Product in the ZAI Territory.

(b) Pricing. Each Party shall have the right to determine the price of the Licensed Product sold in its Territory and no Party shall have the right to direct, control or approve the pricing of the Licensed Product in the other Party's Territory.

(c) Global Brand Elements. The Parties, through their respective Alliance Managers, may endeavor to develop and adopt the key distinctive colors, logos, images, symbols, and trademarks to be used in both Territories in connection with the Commercialization of the Licensed Products. Each Party shall own the rights in such global brand elements in its Territory and shall Commercialize the Licensed Products in its Territory in a manner consistent with the applicable global brand elements.

(d) Market Research and Materials. At each regularly scheduled JSC meeting, each Party shall update the other Party regarding the material market research that it is performing with respect to the Licensed Products, and shall provide the other Party with a copy of such research upon request if such material market research is necessary for the other Party to commercialize the Licensed Products in its Territory. The Parties shall also share copies of all marketing and promotional materials with respect to the Commercialization of the Licensed Products with each other.

6.3 Diversion. Each Party hereby covenants and agrees that it and its Affiliates shall not, and it shall contractually obligate (and use Commercially Reasonable Efforts to enforce such contractual obligation) its licensees and sublicensees not to, directly or indirectly, actively promote, market, distribute, import, sell or have sold any Licensed Product, including via the Internet or mail order, to any Third Party or to any address or Internet Protocol address or the like in the other Party's Territory. Neither Party shall engage, nor permit its Affiliates and sublicensees to engage, in any advertising or promotional activities relating to any Licensed Product for use directed primarily to customers or other buyers or users of such product located in any country or jurisdiction in the other Party's Territory, or solicit orders from any prospective purchaser located in any country or jurisdiction in the other Party's Territory. If a Party or its Affiliates or sublicensees receives any order for a Licensed Product for use from a prospective purchaser located in a country or jurisdiction in the other Party's Territory, such Party shall immediately refer that order to such other Party and shall not accept any such orders. Neither Party shall deliver or tender (or cause to be delivered or tendered), nor permit its Affiliates and sublicensees to, deliver or tender (or cause to be delivered or tendered) any Licensed Product for use in the other Party's Territory.

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6.4 Trademark. Subject to Section 6.2(c), ZAI shall have the right to brand the Licensed Products in the ZAI Territory using ZAI related trademarks and any other trademarks and trade names it determines appropriate for the Licensed Products, which may vary by country or within a country. ZAI shall own all rights in such trademarks and register and maintain such trademarks in the countries and regions within the ZAI territory, where it determines appropriate.

7. MANUFACTURE AND SUPPLY

7.1 Product Manufacture and Supply. Except for the initial supply set forth in Section 4.2 above, ZAI shall be solely responsible for, either by itself or through its Affiliates or Third Party contact manufactures, the manufacture and supply of all necessary clinical and commercial supply of the Licensed Compounds and Licensed Products, in conformance with the applicable specifications thereof and all Applicable Laws, for both Development and Commercialization of the Licensed Compounds and Licensed Products in the ZAI Territory. To the extent necessary for the Development of the Licensed Compounds and Licensed Products in the ZAI Territory in accordance with this Agreement, ZAI shall obtain all other clinical supplies, and acknowledges and agrees that (a) such clinical supplies shall be manufactured and supplied in accordance with the Good Manufacturing Practice for Drugs (药品生产质量管理规范) promulgated by CFDA, and (b) ZAI shall be responsible for labeling of such supplies and distribution to clinical sites. Notwithstanding the foregoing, ZAI shall not use any contract manufacturer or materials supplier listed on Schedule 7.1, for the purposes of manufacturing Licensed Compounds or Licensed Products, without the prior written consent of TESARO.

7.2 Manufacturing Technology Transfer. Without limiting Article 4, upon ZAI's reasonable request, TESARO shall transfer to ZAI or its designated Third Party contract manufacturer all material TESARO Know-How necessary to manufacture the Licensed Compound and Licensed Product. In connection with such technology transfer, TESARO shall provide reasonable technical assistance, at ZAI's cost, to enable ZAI or its designated Third Party contract manufacturer to manufacture the Licensed Compound and Licensed Product.

7.3 Supply by TESARO. At any time during the Term, upon ZAI's written request, TESARO and ZAI may negotiate in good faith terms and conditions of a separate supply agreement, pursuant to which TESARO would manufacture and supply Licensed Compound and/or Licensed Product to ZAI; provided, neither party is obligated to enter into any such supply agreement. Notwithstanding the foregoing, in the event ZAI is required by the CFDA to Commercialize the Licensed Product as an imported product, and the Parties have not entered into the supply agreement referred to above, then (a) TESARO will use Commercially Reasonable Efforts to manufacture and supply the Licensed Compound and/or Licensed Product to ZAI for such Commercialization purposes pursuant to the terms of a supply agreement to be negotiated in good faith between the parties, which terms shall include [*].

8. FINANCIAL TERMS

8.1 License Fee Consideration.

(a) Upfront Payment. As partial consideration to TESARO for the rights and licenses granted to ZAI hereunder, ZAI shall pay to TESARO fifteen million Dollars ($15,000,000) non-refundable, non-creditable upfront payment, due thirty (30) business days after the Effective Date.

(b) Right of First Refusal. As partial consideration to TESARO for the rights and licenses granted to ZAI hereunder, ZAI hereby grants TESARO the right to enter into a license described in this Section 8.1(b) with respect to each of the first two Immuno-oncology assets [*] (each, an "**Immuno-Oncology Asset**") developed by ZAI during the Term. If, at any time during the Term, ZAI develops and intends to advance any such Immuno-Oncology Asset into human clinical trials in the ZAI Territory, then at least six months prior to the initiation of any human clinical trial of such Immuno-Oncology Asset in the ZAI Territory, ZAI will notify TESARO in writing of such intent and provide TESARO with a confidential written summary of the Immuno-Oncology Asset, including all material clinical, pre-clinical and other relevant data that TESARO may reasonably request which would be necessary for TESARO to determine whether to exercise its right to license such Immuno-Oncology Asset under this Section 8.1(b) (a "**Transaction Notice**"), which Transaction Notice shall be deemed to be Confidential Information of ZAI under this Agreement. TESARO will notify ZAI within [*] of its receipt of the Transaction Notice whether TESARO would like to exercise its right under this Section 8.1(b) to obtain an exclusive, worldwide (excluding China), sub-licensable, royalty- bearing license to research, develop, manufacture and commercialize the applicable Immuno- Oncology Asset for all uses (an "**Option Notice**"). For a period of [*] following ZAI's receipt of an Option Notice, TESARO and ZAI will negotiate in good faith commercially reasonable terms for the foregoing license of the applicable Immuno-Oncology Asset to TESARO. If TESARO does not deliver an Option Notice to ZAI within the applicable [*] period, or declines in writing its option to take a license to the applicable Immuno-Oncology Asset after review of the Transaction Notice, then TESARO shall be deemed to have waived its rights under this Section 8.1(b) solely with respect to the applicable Immuno-Oncology Asset, and ZAI will be free to enter into a license for such Immuno-Oncology Asset with any Third Party thereafter. If TESARO exercises its option by providing the Option Notice with respect to the applicable Immuno-Oncology Asset, but TESARO and ZAI do not mutually agree on the terms of a license to TESARO within the [*] negotiation period described above, ZAI may not enter into any license transaction for such Immuno-Oncology Asset outside of the ZAI Territory with any Third Party for a period of [*] following the end of such [*] negotiation period (the "**Restricted Period**"). After the end of the Restricted Period, ZAI is permitted to negotiate a license for the applicable Immuno-Oncology Asset with a Third Party; *provided*, *however*, that ZAI may not enter into a license for the applicable Immuno-Oncology Asset with a Third Party on financial terms that are materially less favorable, in the aggregate, to ZAI than those offered by TESARO (collectively, the "**Third Party Terms**"). [*] For the sake of clarity, nothing in this Section 8.1(b) shall be deemed to restrict ZAI's ability to grant of a license to a service provider or to a Third Party distributor selling finished Immuno-Oncology Product purchased from ZAI.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

8.2 Milestone Payments.

(a) Development Milestone. ZAI shall pay to TESARO the following one-time milestone payments within [*] following the first achievement of the corresponding milestone events set forth below by ZAI, its Affiliates or sublicensees for any Licensed Compound or Licensed Product. For purposes of clarity, the milestone payment set forth below shall be payable only upon the first achievement of such milestone, and shall not be payable more than once, regardless of whether more than one Licensed Compound or Licensed Product achieves such milestone.

Development Milestone Event	Milestone Payment
[*]	$ [*]

Notwithstanding the foregoing, if ZAI's Development activities cause TESARO to owe Merck a milestone payment under the "**Development Milestone**" section of Section 7.02 of the Merck Agreement and TESARO has not received from ZAI a corresponding milestone payment under this Section 8.2(a), then ZAI shall pay to TESARO, in accordance with the terms of this Agreement the amount of the milestone payment owed by TESARO to Merck.

(b) Sales-Based Milestones. ZAI shall pay to TESARO the following one time milestone payments upon reaching the following specific Net Sales milestones for the Licensed Product(s) within [*] following the end of the Calendar Year during which the Net Sales milestone set forth below is first reached:

Annual Net Sale of all Licensed Products in the Territory		Milestone Payments
Equal or exceed	$[*]	$ [*]
Equal or exceed	$[*]	$ [*]
Equal or exceed	$[*]	$ [*]

8.3 Royalties.

(a) Generally. Subject to the remainder of this Section 8.3, ZAI shall pay to TESARO a running royalty on Net Sales of each Licensed Product sold by ZAI, its Affiliates and Sublicensees in the Field in the ZAI Territory, as calculated by multiplying the applicable royalty rate set forth below by the corresponding amount of incremental, aggregated annual Net Sales of the Licensed Product sold in the Territory in the applicable Calendar Year:

Portion of Annual Net Sales of the Licensed Product in the Territory		Royalty Rate
Less than or equal to	$[*]	[*]%
Greater than	$[*]	
but less than or equal to	$[*]	[*]%
Greater than	$[*]	[*]%

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(b) Royalty Term. Subject to subsection (d) below, royalties shall be payable on a country-by-country and Licensed Product-by-Licensed Product basis from the First Commercial Sale of a Licensed Product in a country until the last to occur of: (i) expiration of the last to expire TESARO Patents that contains a Valid Claim Covering such Licensed Product in such country or administrative region; (ii) expiration of any market or data exclusivity for the sale of such Licensed Product in such country or administrative region; or (iii) ten (10) years from the First Commercial Sale of such Licensed Product in such country or administrative region (the "**Royalty Term**").

(c) Royalty Reductions.

(i) If a Licensed Product is generating Net Sales in a country or administrative region during the Royalty Term in such country at a time when there is no TESARO Patent that contains a Valid Claim Covering the composition of matter of such Licensed Product in such country or administrative region, then the royalty rate for such Licensed Product in such country or administrative region shall be reduced by [*].

(ii) If it is necessary for ZAI to obtain a license from a Third Party under any Patents in order to manufacture, import or sell the Licensed Product in a country or administrative region in the ZAI Territory and ZAI obtains such a license, then ZAI shall have the right to deduct, from the royalty payment that would otherwise have been due pursuant to this Section 8.3 with respect to Net Sales of such Licensed Product in such country or administrative region, an amount equal to [*] of the amount paid by ZAI to such Third Party pursuant to such patent license on account of the sale of such Licensed Product in such country during such Calendar Quarter; provided however, that in no event shall the royalties paid to TESARO with respect to such Net Sales by operation of this Section 8.3(c)(ii) be reduced to less than [*] of the amount that would otherwise due with respect to such Net Sales.

(d) Minimum Royalties. Notwithstanding the foregoing, the royalties due from ZAI to TESARO under this Agreement with respect to the Net Sales of the Licensed Product in the Territory in a particular Calendar Quarter shall be no less than the royalties owed by TESARO to Upstream Licensors under the Upstream Agreements with respect to such Net Sales plus [*] of such Net Sales.

(e) Upstream Royalties. TESARO shall be solely responsible for the payment of royalties and other payments owed by TESARO to Upstream Licensors and any other Third Parties on account of the Development and Commercialization of the Licensed Product by ZAI in the Territory.

(f) Royalty Conditions. The royalties under Section 8.3 shall be subject to the following conditions:

(i) only one (1) royalty shall be due with respect to each unit of Licensed Product, without regard to whether there is more than one Valid Claim Covering such Licensed Product;

(ii) no royalties shall be due upon the sale or other transfer of the Licensed Products among ZAI, its Affiliates and sublicensees, but in such cases the royalty shall be due and calculated upon ZAI's or its Affiliate's or sublicensee's Net Sales of Licensed Product to the first independent Third Party; and

(iii) no royalties shall accrue on the disposition of Licensed Product in reasonable quantities by ZAI, its Affiliates or sublicensees as part of an expanded access program, for use in clinical trials, as free samples, or as donations to non-profit institutions or government agencies for non-commercial purposes, provided, in each case, that neither ZAI, its Affiliate nor sublicensees receive any payment (in excess of its actual costs) for such Licensed Product.

8.4 Manner of Payment. All payments to be made by ZAI hereunder shall be made in U.S. Dollars by wire transfer of immediately available funds to such bank account as shall be designated by TESARO. Except as otherwise provided in this Agreement, all payments to be made by ZAI under this Agreement shall be due within [*] of the date of invoice. Late payments shall bear interest at the rate provided in Section 8.10.

8.5 Sales Reports and Royalty Payments. Any royalty payments due under this Agreement will be calculated and reported for each Calendar Quarter, and will be paid within [*] of the end of each Calendar Quarter in which the applicable Net Sales were recorded. Each royalty payment will be accompanied by a report stating on a Licensed Product- by-Licensed Product: (a) Net Sales of the Licensed Product in the applicable Calendar Quarter, (b) a calculation of the amount of the royalty payment due on such Net Sales during the applicable Calendar Quarter, and (c) the amount of withholding taxes, if any, required by Applicable Law to be deducted with respect to such royalties.

8.6 Financial Records. ZAI will maintain records as are required to determine, in accordance with this Agreement, Net Sales and royalties due under this Agreement. ZAI will maintain such records until the later of (a) three (3) years after the end of the period to which such records pertain, (b) the expiration of the applicable tax statute of limitations (or any extensions thereof), or (c) such longer period as may be required by Applicable Law.

8.7 Financial Audit. On thirty (30) days prior written notice, TESARO will have the right to have an independent certified public accountant inspect the financial records of ZAI and its Affiliates and their Sublicensees relating to the sale of the Licensed Products in the ZAI Territory, no more than once per Calendar Year, during usual business hours, at a time and a place mutually agreed to, for the sole purpose of verifying the completeness and accuracy of Net Sales and royalties due under this Agreement for the period of time three (3) years preceding the date of the notice. The notice must identify the period of time subject to inspection. Records from a period of time already subject to an inspection pursuant to this Section 8.7 may not be inspected again. Such accountant must have agreed in writing to maintain the confidentiality of all information learned in confidence, except as necessary to disclose any discrepancy to TESARO. TESARO shall pay for such inspections, unless such inspection and audit discloses for the period examined that there is an underpayment to TESARO of greater than [*] of the amounts actually due in any given year, in which case ZAI will be responsible for the payment of the reasonable cost of such inspection and audit. TESARO and its independent accounting firm agree that all information concerning such payments and reports will be Confidential Information of ZAI as provided for in this Agreement. ZAI will pay to TESARO within sixty (60) days any underpayment identified pursuant to this Section 8.7.

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8.8 Currency Exchange. With respect to Net Sales invoiced in a currency other than Dollars, the Net Sales shall be expressed in the domestic currency of the entity making the sale, together with the Dollar equivalent (as applicable), calculated using the rate of exchange to be used in computing the amount of currency equivalent in Dollars by ZAI for its own financial reporting purposes in connection with its other products.

8.9 Taxes. (a) In the event that Applicable Law requires ZAI to deduct or withhold taxes with respect to any payment to be made by ZAI pursuant to this Agreement, ZAI will notify TESARO of such requirement prior to making the payment to TESARO and provide such assistance to TESARO, including the provision of such documentation as may be required by a tax authority, as may be reasonably necessary in TESARO's efforts to claim an exemption from or reduction of such taxes. ZAI will, in accordance with Applicable Law, deduct or withhold taxes from the amount due, remit such taxes to the appropriate tax authority when due, and furnish TESARO with proof of payment of such taxes within thirty (30) days following the payment. If taxes are paid to a tax authority, ZAI shall provide reasonable assistance to TESARO to obtain a refund of taxes withheld, or obtain a credit with respect to taxes paid. To the extent such amounts are paid to the appropriate tax authority, such amounts shall be treated for all purposes of this Agreement as having been paid to TESARO.

(b) All payments due to TESARO from ZAI pursuant to this Agreement shall be paid net of any value-added tax or other tax ("**VAT**") required to be paid by ZAI to tax authorities in the Territory (which, if applicable, shall be payable by ZAI upon receipt of a valid VAT invoice); provided, that ZAI shall use commercially reasonable efforts to assist TESARO to minimize and obtain all available exemptions from such VAT or other taxes. If ZAI is required to withhold and/or TESARO is required to report any such tax, ZAI shall promptly provide TESARO with applicable receipts evidencing payment of such tax and other documentation reasonably requested by TESARO.

8.10 Interest on Late Payment. Interest shall be payable on any payments that are not paid on or before the date thirty (30) days after the date such payments are due under this Agreement at the per-annum rate of prime (as reported in The Wall Street Journal (U.S., Eastern Edition)) plus two percentage points or the maximum rate allowable by applicable Law, whichever is less.

9. REPRESENTATIONS AND WARRANTIES; COVENANTS

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

(b) It has all requisite corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;

(c) The execution of this Agreement and the performance by such Party of its obligations hereunder have been duly authorized;

(d) This Agreement is legally binding and enforceable on such Party in accordance with its terms; and

(e) The performance of this Agreement by it does not create a material breach or material default under any other agreement to which it is a Party.

9.2 Representations and Warranties of TESARO. TESARO represents and warrants that as of the Effective Date:

(a) TESARO is the sole owner or exclusive licensee of the TESARO IP, free and clear of all liens, and has the right to grant to ZAI the rights and licenses as purported to be granted hereunder;

(b) there is no pending or, to its knowledge, threatened, litigation or arbitration which alleges, or any written communication alleging, that TESARO's activities with respect to the TESARO IP or the Licensed Compounds have infringed or misappropriated any of the intellectual property rights of any Third Party;

(c) there is no pending or, to its knowledge, threatened re- examination, opposition, interference or litigation, or any written communication alleging that any TESARO Patent is invalid or unenforceable anywhere in the world;

(d) subject to the terms and conditions of the Upstream Agreements, to its knowledge, the manufacture, Development or Commercialization of the Licensed Compounds and Licensed Products does not and will not infringe with any Patent rights of any Third Party in the ZAI Territory;

(e) it is not aware of any infringement or misappropriation of any TESARO IP by any Third Party;

(f) it (and, to its knowledge, any Third Party acting under its authority) has complied in all material respects with all Applicable Laws in connection with its development of the Licensed Compounds (including information and data provided to Regulatory Authorities), and has not used any employee, consultant or contractor who has been debarred by any Regulatory Authority, or to its knowledge, is the subject of a debarment proceeding by any Regulatory Authority;

(g) it has not granted any rights in the TESARO IP that are inconsistent with the rights granted to ZAI under this Agreement;

(h) other than the Patents set forth in **Exhibit B**, TESARO does not Control any Patent that is reasonably necessary for the Development, manufacture or Commercialization of the Licensed Compound or Licensed Product or that Covers (i) the composition of matter of the Licensed Compound or Licensed Product, or (ii) a method of

manufacture or use of the Licensed Compound or Licensed Product. If TESARO identifies any Patent that it Controls after the Effective Date which is reasonably necessary for the Development, manufacture or Commercialization of the Licensed Compound or Licensed Product in the ZAI Territory or that Covers (A) the composition of matter of the Licensed Compound or Licensed Product, or (B) a method of manufacture or use of the Licensed Compound or Licensed Product, then such Patent shall automatically be added to the list of TESARO Patents;

(i) the Licensed Compounds and Licensed Products provided by TESARO as part of the technology transfer under Section 4.2 have been manufactured, handled and stored in accordance with all Applicable Laws, including the current Good Manufacturing Practice set forth in 21 C.F.R. Parts 11, 210 and 211; and

(j) TESARO has disclosed to ZAI and made available to ZAI for review, to the extent in TESARO's possession and control, all material non-clinical and clinical data for the Licensed Compound and Licensed Product, and all other material information (including relevant correspondence with Regulatory Authorities) relating to the Licensed Compound and Licensed Product, in each case that would be material to TESARO to assess the safety and efficacy of the Licensed Compound and Licensed Product.

9.3 Upstream Agreements. TESARO represents, warrants and covenants (as applicable) to ZAI that:

(a) as of the Effective Date, except for the Upstream Agreements, there is no agreement between TESARO or its Affiliates with any Third Party pursuant to which TESARO or its Affiliates has in-licensed any TESARO IP;

(b) as of the Effective Date, it has provided ZAI with a true and complete copy of each Upstream Agreement, and each Upstream Agreement is in full force and effect, and the (sub)licenses it obtained under the AZ Agreements encompass the right to make, use and sell the Licensed Compound and Licensed Product in the Field in the ZAI Territory in accordance with the terms of the AZ Agreements, and during the Term, TESARO shall not modify or terminate either of the AZ Agreements in a manner that would diminish the right of ZAI under this Agreement to make, use and sell the Licensed Compound and Licensed Product in the Field in the ZAI Territory;

(c) as of the Effective Date, no written notice of default or termination has been received or given under any Upstream Agreement, and to its knowledge, there is no act or omission by TESARO that would provide a right to terminate any Upstream Agreement;

(d) during the Term of this Agreement, it shall maintain each Upstream Agreement in full force and effect and shall not terminate, amend, waive or otherwise modify (or consent to any of the foregoing) its rights under any Upstream Agreement in any manner that materially diminishes the rights or licenses granted to ZAI hereunder or increase or generate any new payment obligation under any Upstream Agreement that would apply to ZAI (such as any milestone payment under Section 7.02 of the Merck Agreement that would apply to ZAI's Development activities), without ZAI's express written consent; and

(e) in the event of any notice of breach of any Upstream Agreement by TESARO, TESARO shall promptly notify ZAI in writing, and if TESARO fails to cure such breach, ZAI shall have the right, but not the obligation, to cure such breach on behalf of TESARO and to offset any reasonable amounts incurred or paid by ZAI in connection with the cure of such breach against any amounts otherwise payable by to TESARO under this Agreement. In the event of any notice of breach of any Upstream Agreement by the applicable Upstream Licensor in a manner that will or is likely to materially adversely affect ZAI's rights or obligations under this Agreement, TESARO shall immediately notify ZAI in writing, and TESARO shall take such actions as reasonably requested by ZAI to enforce such Upstream Agreement.

9.4 ZAI Compliance with Upstream Agreements. ZAI acknowledges and agrees that the rights and licenses granted by TESARO to ZAI under this Agreement are subject to the terms of the Upstream Agreements. ZAI agrees to take any action (or omission, to the extent applicable to ZAI) reasonably requested by TESARO that is necessary or advisable to maintain compliance with the terms and conditions of the Upstream Agreements.

9.5 Anti-Corruption.

(a) In performing their respective obligations hereunder, the Parties acknowledge that the corporate policies of TESARO and ZAI and their respective Affiliates require that each Party's business be conducted within the letter and spirit of the law. By signing this Agreement, each Party agrees to conduct the business contemplated herein in a manner which is consistent with all Applicable Law, including the U.S. Foreign Corrupt Practices Act, good business ethics, and its ethics and other corporate policies, and to abide by the spirit of the other Party's applicable ethics and compliance guidelines which may be provided by such other Party from time to time. Specifically, each Party agrees that it has not, and covenants that it, its Affiliates, and its and its Affiliates' directors, employees, officers, and anyone acting on its behalf, will not, in connection with the performance of this Agreement, directly or indirectly, make, promise, authorize, ratify or offer to make, or take any action in furtherance of, any payment or transfer of anything of value for the purpose or intent of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it in obtaining or retaining business for it or the other Party, or in any way with the purpose or effect of public or commercial bribery.

(b) Each Party shall not contact, or otherwise knowingly meet with, any Government Official for the purpose of discussing activities arising out of or in connection with this Agreement, without the prior written approval of the other Party, except where such meeting is consistent with the purpose and terms of this Agreement and in compliance with Applicable Law, it being agreed and acknowledged that ZAI has the right under this Agreement to meet with any Government Official with respect to the lawful conduct of any clinical study for the Licensed Product.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

9.6 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY PATENTS, CONFIDENTIAL INFORMATION OR KNOW-HOW OF SUCH PARTY OR ANY LICENSE GRANTED BY SUCH PARTY HEREUNDER, OR WITH RESPECT TO ANY COMPOUNDS, INCLUDING BUT NOT LIMITED TO THE TRANSFERRED MATERIALS. FURTHERMORE, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES THAT ANY PATENT, PATENT APPLICATION, OR OTHER PROPRIETARY RIGHTS INCLUDED IN PATENTS, CONFIDENTIAL INFORMATION OR KNOW-HOW LICENSED BY SUCH PARTY TO THE OTHER PARTY HEREUNDER ARE VALID OR ENFORCEABLE OR THAT USE OF SUCH PATENTS, CONFIDENTIAL INFORMATION OR KNOW-HOW CONTEMPLATED HEREUNDER DOES NOT INFRINGE ANY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

9.7 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY SHALL BE LIABLE TO THE OTHER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, WHETHER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, MULTIPLE, OR CONSEQUENTIAL DAMAGES *PROVIDED*, *HOWEVER*, THAT THE FOREGOING SHALL NOT APPLY TO OR LIMIT (I) DAMAGES AVAILABLE FOR ANY BREACH BY EITHER PARTY OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN ARTICLE 11; (B) A PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 12.

10. INTELLECTUAL PROPERTY

10.1 Inventions.

(a) Ownership of Inventions. The inventorship of all Inventions shall be determined under the U.S. patent laws. Each Party shall solely own its Sole Inventions and the Parties shall jointly own all Joint Inventions. All Patents Covering patentable Joint Inventions shall be referred to herein as "**Joint Patents.**" Except to the extent restricted by the licenses granted to other Party under this Agreement or any other agreement between the Parties, each joint owner shall be entitled to practice, license, assign and otherwise exploit the Joint Inventions and Joint Patents without the duty of accounting or seeking consent from the other owners

(b) License of Inventions. TESARO's Sole Inventions and TESARO's right and interest in and to any Joint Inventions shall be included in TESARO IP and automatically licensed to ZAI under this Agreement. Further, ZAI hereby grants to TESARO an exclusive, perpetual and freely sublicensable license under ZAI's Sole Inventions and ZAI's right and interest in and to any Joint Inventions, including the Data generated by ZAI from the Development of the Licensed Compounds and Licensed Products in the ZAI Territory, for use by TESARO to Develop, manufacture and Commercialize the Licensed Compounds and Licensed Products in the TESARO Territory.

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(c) Disclosure of Inventions. Each Party shall promptly disclose to the other Party all Sole Inventions of such Party and also Joint Invention, including any invention disclosures, or other similar documents, submitted to it by its employees, agents or independent contractors describing such Inventions, and shall promptly respond to reasonable request from the other Parties for additional information relating to such Inventions.

10.2 Patent Prosecution.

(a) TESARO Patents. As between the Parties, TESARO shall have the first right to file, prosecute and maintain, at its own cost and expense, all TESARO Patents that are not Joint Patents. TESARO shall consult with ZAI and keep ZAI reasonably informed of the status of such TESARO Patents in the ZAI Territory and shall promptly provide ZAI with all material correspondence received from any patent authority in connection therewith. In addition, TESARO shall promptly provide ZAI with drafts of all proposed material filings and correspondence to any patent authority with respect to such TESARO Patents in the ZAI Territory for review and comment prior to the submission of such proposed filings and correspondences. TESARO shall confer with ZAI and consider in good faith ZAI's comments prior to submitting such filings and correspondences. TESARO shall notify ZAI of any decision to cease prosecution and/or maintenance of any such TESARO Patents in the ZAI Territory at least thirty (30) days prior to any filing deadline or payment due date. In such event, TESARO shall permit ZAI, at its discretion and at its sole expense, to continue prosecution or maintenance of such TESARO Patent.

(b) Joint Patents. Each Party shall have the first right to file, prosecute and maintain, at its own cost and expense, all Joint Patents in its Territory. Each Party shall consult with the other Party and keep the other Party reasonably informed of the status of the Joint Patents in its Territory and shall promptly provide the other Party with all material correspondence received from any patent authority in connection therewith. In addition, each Party shall promptly provide the other Party with drafts of all proposed material filings and correspondence to any patent authority with respect to the Joint Patents in its Territory for review and comment prior to the submission of such proposed filings and correspondences. Each Party shall confer with the other Party and consider in good faith the other Party's comments prior to submitting such filings and correspondences. Each Party shall notify the other Party of any decision to cease prosecution and/or maintenance of any Joint Patents in its Territory at least thirty (30) days prior to any filing deadline or payment due date. In such event, such Party shall permit the other Party, at its discretion and at its sole expense, to continue prosecution or maintenance of such Joint Patent.

(c) ZAI Patents. Unless otherwise agreed by the Parties in a separate license agreement pursuant to Section 10.1(b), as between the Parties, ZAI shall have the sole right to file, prosecute and maintain, at its own cost and expense, all Patents Covering its Sole Inventions.

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(d) Cooperation. Each Party shall provide the other Party all reasonable coordination, assistance and cooperation in the patent prosecution efforts under this Agreement, including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution.

10.3 Patent Enforcement.

(a) Notice and Enforcement by ZAI. In the event that either Party becomes aware of a suspected infringement by a Third Party of any TESARO Patents in the Field within the ZAI Territory, or any declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of TESARO Patents in the ZAI Territory (collectively, "**Infringement**"), such Party shall notify the other Party promptly. ZAI shall have the first right, but not the obligation, to bring and control any legal action in connection with any Infringement of TESARO Patents in the ZAI Territory at its own expense and as it reasonably determines appropriate. TESARO shall have the right to be represented in any such action by counsel of its choice at its own expense.

(b) Enforcement by TESARO. If ZAI does not to bring a legal action or otherwise take reasonable measure to stop the Infringement of TESARO Patents in ZAI Territory within ninety (90) days after the notice provided pursuant to Section 10.3(a), TESARO shall have the right to bring and control any legal action in connection with such Infringement in the ZAI Territory at its own expense as it reasonably determines appropriate after consultation with ZAI.

(c) Cooperation. At the request and expense of the Party bringing the action under Section 10.3(a) or (b) above, the other Party shall provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required. In connection with any such proceeding, the enforcing Party shall keep the other Party reasonably informed on the status of such action and shall not enter into any settlement admitting the invalidity of, or otherwise impairing the other Party's rights in, the relevant TESARO Patents without the prior written consent of the other Party.

(d) Cost and Recovery. The enforcing Party under Section 10.3(a) or (b) shall be responsible for the cost and expense incurred with the enforcement action. Any recoveries resulting from such enforcement action shall be first applied to reimburse each Party's cost and expenses in connection therewith. Any such recoveries in excess of such cost and expense shall be retained by the enforcing Party; provided that if ZAI is the enforcing Party, then such recovery shall be deemed Net Sales and subject to royalty payment to TESARO under Section 8.3.

10.4 Defense of Third Party Claims. Subject to Article 12, if a claim is brought by a Third Party alleging infringement of a Patent of such Third Party by the Development, manufacture or Commercialization of the Licensed Compounds and Licensed Products in the ZAI Territory, the Party first having notice of the claim or assertion shall promptly notify the other Parties, the Parties shall agree on and enter into an "**common interest agreement**" wherein

such Parties agree to their shared, mutual interest in the outcome of such potential dispute, and thereafter, the Parties shall promptly meet to consider the claim or assertion and the appropriate course of action. Each Party shall be entitled to represent itself in any litigation to which it is a party, at its own expense, unless otherwise agreed upon by the Parties or as otherwise set forth in this Agreement.

10.5 Bankruptcy Protection. All licenses granted by a Party to the other Party under this Agreement are and shall otherwise be deemed to be for purposes of Section 365(n) of Title 11, United States Code or foreign equivalent laws (the "**Bankruptcy Code**") licenses of rights to "**intellectual property**" as defined in Section 101(56) of the Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code. Upon the bankruptcy of a Party, the non-bankrupt Party shall further be entitled to a complete duplicate of, or complete access to, any such intellectual property, and such, if not already in its possession, shall be promptly delivered to the non-bankrupt Party, unless the bankrupt Party elects to continue, and continues, to perform all of its obligations under this Agreement. Nothing in this Section 10.5 shall be interpreted as giving any Party greater rights to the other Party's intellectual property after the bankruptcy of the other Party than such Party had prior to such bankruptcy.

11. CONFIDENTIALITY

11.1 Nondisclosure and Non-Use. Each Party agrees that, for so long as this Agreement is in effect and for a period of [*] years thereafter, a Party (the "**Receiving Party**") receiving or possessing Confidential Information of the other Party (the "**Disclosing Party**") shall, and shall cause its employees, representatives, Affiliates, consultants, contractors, agents and Sublicensees to, (a) maintain in confidence such Confidential Information using not less than the efforts such Receiving Party uses to maintain in confidence its own proprietary industrial information of similar kind and value (but no less than reasonable care), (b) not disclose such Confidential Information to any Third Party without the prior written consent of the Disclosing Party, except for disclosures expressly permitted below, and (c) not use such Confidential Information for any purpose except those permitted by this Agreement, including in connection with exercising its rights or fulfilling its obligations under this Agreement (it being understood that this clause (c) shall not create or imply any rights or licenses not expressly granted under Article 2 hereof). Each Receiving Party shall be responsible for any breach of these obligations by any of its employees, representatives, Affiliates, consultants, contractors, agents and Sublicensees to which it discloses or provides access to any Confidential Information of the Disclosing Party. Each Receiving Party shall take all reasonable action under Applicable Law to enforce the confidentiality obligations hereunder against any employees, representatives, Affiliates, consultants, contractors, agents and Sublicensees to which it discloses or provides access to any Confidential Information of the Disclosing Party.

11.2 Confidentiality of TESARO Know-How. During such time as the license to ZAI under the TESARO Know-How granted under Section 2.1 is in effect, solely for disclosure purposes to Third Parties, the TESARO Know-How shall be deemed to be Confidential Information of both TESARO and ZAI under Article 11, both TESARO and ZAI shall be deemed to be a Disclosing Party of the TESARO Know-How under Article 11, and TESARO and its Affiliates shall be deemed not to have known such TESARO Know-How prior to disclosure for the purposes of Section 11.3(a).

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11.3 Exceptions. The obligations in Section 11.1 shall not apply with respect to any portion of the Confidential Information that the Receiving Party can show by competent proof:

(a) was known to the Receiving Party or any of its Affiliates, without any obligation to keep it confidential or any restriction on its use, prior to disclosure by the Disclosing Party; or

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement; or

(d) is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party lawfully in possession thereof and without any obligation to keep it confidential or any restriction on its use; or

(e) has been independently developed by employees or contractors of the Receiving Party or any of its Affiliates without the aid, application or use of Confidential Information of the Disclosing Party as demonstrated by documented evidence prepared contemporaneously with such independent development.

11.4 Authorized Disclosure. The Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(a) preparing, filing or prosecuting Patents; preparing, filing or prosecuting Regulatory Materials with respect to obtaining and maintaining Regulatory Approval of the Licensed Products; and prosecuting or defending litigation;

(b) subject to Section 11.7, complying with Applicable Law (including, without limitation, the rules and regulations of any national securities exchange, regulations of the State Administration of Foreign Exchange of the People's Republic of China, and the State Intellectual Property Office of the People's Republic of China) and with judicial process, if in the reasonable opinion of the Receiving Party's counsel, such disclosure is necessary for such compliance, *provided* that the Receiving Party shall promptly notify the other Party of such required disclosure so that the Disclosing Party can seek a protective order or other appropriate remedies and, at the Disclosing Party's request and expense, reasonably assist the Disclosing Party in seeking such protective order or other reasonable remedies; and

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(c) disclosure (i) in connection with the performance of this Agreement and solely on a "need to know basis", to Affiliates, potential or actual collaborators (including potential Sublicensees), or employees, contractors, or agents; or (ii) solely on a "need to know basis" to potential or actual investment bankers, consultants, advisors, investors, partners, collaborators, lenders, or acquirers; each of whom in the case of clause (i) or (ii) prior to disclosure must be bound by written obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 11.

11.5 Terms of this Agreement. The Parties acknowledge that the terms of this Agreement shall be treated as Confidential Information of both Parties.

11.6 Prior CDA. This Agreement supersedes the Mutual Confidentiality and Non-Use Agreement between the Parties dated October 12, 2015 (the "**Prior CDA**") with respect to information disclosed thereunder. All information exchanged between the Parties under the Prior CDA shall be deemed Confidential Information of the disclosing Party and shall be subject to the terms of this Article 11.

11.7 Securities Filings. In the event either Party proposes to file with the Securities and Exchange Commission or the securities regulators of any state, country, province or other jurisdiction a registration statement or any other disclosure document which describes or refers to this Agreement under the Securities Act of 1933, as amended, the Securities Exchange Act, of 1934, as amended, or any other Applicable Law, such Party shall notify the other Party of such intention and shall provide such other Party with a copy of relevant portions of the proposed filing not less than five (5) business days prior to such filing (and any revisions to such portions of the proposed filing a reasonable time prior to the filing thereof), including any exhibits thereto relating to this Agreement, and shall use reasonable efforts to obtain confidential treatment of any information concerning this Agreement that such other Party requests be kept confidential, and shall only disclose Confidential Information of the Disclosing Party which it is advised by counsel is legally required to be disclosed. No such notice shall be required under this Section 11.7 if the substance of the description of or reference to this Agreement contained in the proposed filing has been included in any previous filing made by the other Party hereunder or otherwise approved by the other Party.

11.8 Technical Publication. No Party may publish peer reviewed manuscripts, or give other forms of public disclosure such as abstracts and presentations, of results of studies carried out under this Agreement, without the opportunity for prior review by the other Parties, except to the extent required by Applicable Laws. A Party seeking publication of results of studies carried out under this Agreement shall provide the other Party the opportunity to review and comment on any proposed publication which relates to the Licensed Product at least thirty (30) days prior to its intended submission for publication. The other Party shall provide the Party seeking publication with its comments in writing, if any, within twenty (20) days after receipt of such proposed publication. The Party seeking publication shall consider in good faith any comments thereto provided by the other Party and shall comply with the other Party's request to remove any and all of such other Party's Confidential Information from the proposed publication. In addition, the Party seeking publication shall delay the submission for a period up to sixty (60) days in the event that the other Party can demonstrate reasonable need for such delay, including without limitation, the preparation and filing of a patent application. If the other Party fail to provide its comments to the Party seeking publication within such twenty (20) day

period, such other Party shall be deemed to not have any comments, and the Party seeking publication shall be free to publish in accordance with this Section 11.8 after the thirty (30) day period has elapsed. The Party seeking publication shall provide the other Party a copy of the manuscript at the time of the submission. Each Party agrees to acknowledge the contributions of the other Party and its employees in all publications as scientifically appropriate.

11.9 Equitable Relief. Each Receiving Party acknowledges and agrees that a breach of this Article 11 cannot reasonably or adequately be compensated in damages in an action at law and that such a breach shall cause the Disclosing Party irreparable injury and damage. By reason thereof, the Parties agree that each Party shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of the obligations relating to Confidential Information set forth herein.

12. INDEMNITY AND INSURANCE

12.1 Indemnification by ZAI. ZAI hereby agrees to defend, hold harmless and indemnify TESARO, its Affiliates, directors, officers, employees and agents from and against any and all Third Party claims, suites, proceedings, damages, expenses, liabilities, and/or losses, including without limitation reasonable legal expenses and attorneys' fees (collectively "**Claims**") to the extent resulting from or arising out of: (a) the negligence, willful misconduct or breach of this Agreement by ZAI; (b) ZAI's Development, manufacture and Commercialization of the Licensed Compounds and Licensed Products in ZAI Territory; (c) any action or omission of ZAI that causes a breach of or results in non-compliance the Upstream Agreements, except in each case to the extent such Claims result from or arise out of any activities set forth in Section 12.2 for which TESARO is obligated to indemnify ZAI.

12.2 Indemnification by TESARO. TESARO hereby agrees to defend, hold harmless and indemnify ZAI, its Affiliates, directors, officers, employees and agents from and against any and all Third Party Claims to the extent resulting from or arising out of: (a) the negligence, willful misconduct or breach of this Agreement by TESARO; (b) TESARO's Development, manufacture and Commercialization of the Licensed Compounds and Licensed Products in TESARO Territory; and (c) TESARO's Development, manufacture and Commercialization of the Licensed Compounds and Licensed Products prior to the Effective Date; except in each case to the extent such Claims result from or arise out of any activities set forth in Section 12.1 for which ZAI is obligated to indemnify TESARO.

12.3 Indemnification Procedure. The indemnified Party shall provide the indemnifying Party with prompt notice of the claim giving rise to the indemnification obligation pursuant to this Article 12 and the exclusive ability to defend (with the reasonable cooperation of the indemnified Party) or settle any such claim; *provided*, *however*, that the indemnifying Party shall not enter into any settlement for damages other than monetary damages without the indemnified Party's written consent, such consent not to be unreasonably withheld. The indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim or suit that has been assumed by the indemnifying Party. If the Parties cannot agree as to the application of Sections 12.1 and 12.2 to any particular Claim,

the Parties may conduct separate defenses of such claim and reserve the right to claim indemnity from the other in accordance with Sections 12.1 and 12.2 above upon resolution of the underlying claim, notwithstanding the provisions of this Section 12.3 requiring the indemnified Party to tender to the indemnifying Party the exclusive ability to defend such claim or suit.

12.4 Mitigation of Loss. Each indemnified Party shall take and shall procure that its Affiliates, agents, directors, officers and employees take all such reasonable steps and action as are reasonably necessary or as the indemnifying Party may reasonably require in order to mitigate any Claims (or potential losses or damages) under this Article 12. Nothing in this Agreement shall or shall be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

12.5 Insurance. Each Party shall procure and maintain insurance, including product liability insurance, adequate to cover its obligations hereunder and which are consistent with normal business practices of prudent companies similarly situated at all times during which any Licensed Product is being clinically tested in human subjects or commercially distributed or sold by such Party. It is understood that such insurance shall not be construed to create a limit of either Party's liability with respect to its indemnification obligations under this Article 12. Each Party shall provide the other Party with written evidence of such insurance upon request. Each Party shall provide the other Party with written notice at least thirty (30) days prior to the cancellation, non-renewal or material change in such insurance which materially adversely affects the rights of the other Party hereunder.

13. TERM AND TERMINATION

13.1 Term. This Agreement shall commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof or by mutual written consent, shall continue, on a country-by-country and Licensed Product-by-Licensed Product basis, until the expiration of the Royalty Term for such Licensed Product in such country (the "**Term**"). After the expiration (but not early termination) of the Term, the licenses granted by TESARO to ZAI hereunder shall become full paid, royalty free, perpetual and irrevocable.

13.2 Termination.

(a) Termination for convenience. At any time, ZAI may terminate this Agreement by providing written notice of termination to TESARO, which notice includes an effective date of termination at least [*] after the date of the notice.

(b) Termination for Material Breach. Each Party shall have the right to terminate this Agreement in its entirety immediately upon written notice to the other Party if the other Party materially breaches its material obligations under this Agreement and, after receiving written notice identifying such material breach in reasonable detail, fails to cure such material breach within [*] from the date of such notice, provided that, if such other Party dispute such alleged breach in good faith, such termination shall not become effective unless and until such dispute has been resolved in favor of the Party providing notice of such termination and such other Party has not cured such material breach within [*] after such resolution.

(c) Termination for Insolvency. Each Party shall have the right to terminate this Agreement in its entirety immediately upon written notice to the other Party if (i) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (ii) such other Party is served with an involuntary petition against it in any insolvency proceeding, and upon the [*] after such service, such involuntary petition has not been stayed or dismissed, or (iii) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

(d) Termination by Mutual Agreement. The Parties may also terminate this Agreement by mutual agreement.

13.3 Effect of Termination. Upon the early termination of this Agreement pursuant to Section 13.2:

(a) License to ZAI. All licenses and other rights granted by TESARO to ZAI shall terminate, and all rights of ZAI under the TESARO Patents and TESARO Know- How shall revert to TESARO.

(b) License to TESARO. ZAI shall grant to TESARO (with the right to grant sublicenses through multiple tiers) an exclusive license under ZAI's Sole Inventions and ZAI's right and interest in and to any Joint Inventions, including the Data generated by ZAI from the Development of the Licensed Compounds and Licensed Products under this Agreement, for use by TESARO (or its sublicensees) to Develop, manufacture and Commercialize the Licensed Compounds and Licensed Products in the TESARO Territory. The terms and conditions of such a license may include, at TESARO's request, the transfer of Regulatory Materials, inventories, and/or ongoing clinical trials to TESARO, as well as reasonable transition assistance. The foregoing license and transfer shall be royalty-free and without payment from TESARO other than (i) the payment by TESARO of the reasonable cost of any transition assistance (such costs to be consistent with industry custom, and (ii) if: (A) ZAI terminates this Agreement under 13.2(b), he license shall be royalty-bearing (such royalties to be consistent with other royalty- bearing royalties for similar intellectual property rights) and otherwise on commercially reasonable terms.

13.4 Transfer of Data and Regulatory Materials; Wind-down of Clinical Activities. Without limiting the obligations of the Parties under Section 13.3 above, upon the effective date of the termination of this Agreement, ZAI shall transfer to TESARO, at TESARO's business premises, all Data and Regulatory Materials related to the Licensed Compounds or Licensed Products. Additionally, with respect to any ongoing clinical trials of Licensed Products each Party shall cooperate with the other Party to facilitate the orderly transfer to TESARO of the conduct of such clinical trials as soon as reasonably practicable, (ii) until such time as the conduct of such clinical trials has been successfully transferred to TESARO, ZAI

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shall continue such clinical trials, (iii) between the effective date of termination and the date on which the conduct of such clinical trials has been successfully transferred to TESARO, ZAI shall be responsible for all costs and expenses reasonably incurred by ZAI in the conduct of such clinical trials, and (iv) following the date on which the conduct of such clinical trials has been successfully transferred to TESARO, TESARO shall be solely responsible for all costs and expenses of such ongoing clinical trials.

13.5 Survival. Termination or expiration of this Agreement shall not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity, subject to Section 14.2, with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. The following provisions shall survive termination or expiration of this Agreement, as well as any other provision which by its terms or by the context thereof, is intended to survive such termination: Articles 1, 10, 11, and 15, and Sections 9.6, 9.7, 13.3, 13.4 and 13.5..

14. DISPUTE RESOLUTION

14.1 Internal Resolution. Other than disputes subject to the final resolution by the JSC or Executives pursuant to Section 3.5 or determinations made by certified accountants as provided in Section 8.7, in the event of any dispute between the Parties relating to or arising out of this Agreement, the formation, construction, breach or termination hereof, or the rights, duties or liabilities of either Party hereunder, the Parties shall first attempt in good faith to resolve such dispute by negotiation and consultation between themselves, utilizing the Alliance Managers. In the event that such dispute is not resolved on an informal basis within thirty (30) days, either Party may, by written notice to the other Party, refer the dispute to the Executive Officers for attempted resolution by good faith negotiation within thirty (30) days after such notice is received.

14.2 Binding Arbitration. If the Executive Officers are not able to resolve such disputed matter within thirty (30) days and any Party wishes to pursue the matter, each such dispute, controversy or claim that is not an Excluded Claim (defined in Section 14.3 below) shall be finally resolved by binding arbitration administered by the International Chamber of Commerce ("**ICC**") pursuant its arbitration rules, and judgment on the arbitration award may be entered in any court having jurisdiction thereof. The Parties agree that:

(a) The arbitration shall be conducted by a single arbitrator appointed by the ICC, who shall be experienced in the pharmaceutical business in the relevant country. The place of arbitration shall be New York, New York, and all proceedings and communications shall be in English, unless otherwise agreed by all Parties involved in such dispute.

(b) Any Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Any Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award.

(c) The arbitrator shall have no authority to award punitive or any other type of damages not measured by a Party's compensatory damage. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrator's fees and any administrative fees of arbitration regardless of the outcome of such arbitration.

(d) Except to the extent necessary to confirm an award or as may be required by law, neither a Party nor the arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of all Parties. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding, based on the dispute, controversy or claim, would have been barred by the applicable statute of limitations.

14.3 Excluded Claim. As used in Section 14.2, the term "**Excluded Claim**" shall mean a dispute, controversy or claim that concerns the scope, validity, enforceability, inventorship or infringement of a patent, patent application, trademark or copyright. Any Excluded Claim shall be submitted to a court of competent jurisdiction.

15. MISCELLANEOUS

15.1 Severability. If any one or more of the provisions of this Agreement is held to be invalid or unenforceable, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

15.2 Notices. Any notice required or permitted to be given by this Agreement shall be in writing and shall be delivered by hand or overnight courier with tracking capabilities or mailed postage prepaid by first class, registered or certified mail addressed as set forth below unless changed by notice so given:

If to ZAI:

Zai Lab (Shanghai) Co., Ltd.
1043 Halei Road, Building 8, Suite 502, Pudong, Shanghai, P.R.
China, 201203
[*]

With a copy to:

Lila Hope, Ph.D. Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304-1130
[*]

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If to TESARO:

TESARO Inc.
1000 Winter Street, Suite 3300
Waltham, MA 02451
Attention: Joseph Farmer, SVP and General Counsel
[*]

With a copy to:

Asher Rubin
Hogan Lovells US LLP
100 International Drive, Suite 2000
Baltimore, MD 21201
[*]

Any such notice shall be deemed given on the date received. A Party may add, delete, or change the person or address to whom notices should be sent at any time upon written notice delivered to the Party's notices in accordance with this Section 15.2.

15.3 Force Majeure. Neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes and labor disputes, acts of war, terrorism, civil unrest or intervention of any governmental authority ("**Force Majeure**"); *provided*, *however*, that the affected Party promptly notifies the other Party and further *provided* that the affected Party shall use its commercially reasonable efforts to avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.

15.4 Assignment. Neither Party may assign this Agreement to a Third Party without the other Party's prior written consent (such consent not to be unreasonably withheld); except that TESARO may make such an assignment without ZAI's consent to a successor to substantially all of the business of such Party to which this Agreement relates (whether by merger, sale of stock, sale of assets or other transaction) and either Party may assign this Agreement to an Affiliate without the other Party's consent. This Agreement shall inure to the benefit of and be binding on the Parties' successors and permitted assigns. Any assignment or transfer in violation of this Section 15.4 shall be null and void and wholly invalid, the assignee or transferee in any such assignment or transfer shall acquire no rights whatsoever, and the non- assigning non-transferring Party shall not recognize, nor shall it be required to recognize, such assignment or transfer.

15.5 Further Assurances. Each Party agrees to do and perform all such further acts and things and shall execute and deliver such other agreements, certificates, instruments and documents necessary or that the other Party may deem advisable in order to carry out the intent and accomplish the purposes of this Agreement and to evidence, perfect or otherwise confirm its rights hereunder.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

15.6 Waivers and Modifications. The failure of any Party to insist on the performance of any obligation hereunder shall not be deemed to be a waiver of such obligation. Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other breach of such provision or any other provision on such occasion or any succeeding occasion. No waiver, modification, release or amendment of any obligation under or provision of this Agreement shall be valid or effective unless in writing and signed by all Parties hereto.

15.7 Choice of Law. This Agreement shall be governed by, enforced, and shall be construed in accordance with the laws of the State of New York, U.S. without regard to its conflicts of law provisions.

15.8 Publicity. Neither Party shall issue any press release or public statement disclosing the existence of this Agreement or any other information relating to this Agreement, the other Party, or the transactions contemplated hereby without the prior written consent of the other Party, *provided, however*, that any disclosure which is required by Applicable Law or the rules of a securities exchange, as reasonably advised by the disclosing Party's counsel, may be made subject to the following. The Parties agree that any such required disclosure will not contain confidential business or technical information and, if disclosure of confidential business or technical information is required by Applicable Law, the Parties will use appropriate diligent efforts to minimize such disclosure and obtain confidential treatment for any such information which is disclosed to a governmental agency. Each Party agrees to provide to the other Party a copy of any public announcement regarding this Agreement or the subject matter thereof as soon as reasonably practicable under the circumstances prior to its scheduled release. Except under extraordinary circumstances, or as otherwise required under Applicable Law or the rules of a securities exchange, each Party shall provide the other with an advance copy of any such announcement at least five (5) business days prior to its scheduled release. Each Party shall have the right to expeditiously review and recommend changes to any such announcement and, except as otherwise required by Applicable Law or the rules of a securities exchange, the Party whose announcement has been reviewed shall remove any Confidential Information of the reviewing Party that the reviewing Party reasonably deems to be inappropriate for disclosure. The contents of any announcement or similar publicity which has been reviewed and approved by the reviewing Party can be re-released by either Party without a requirement for re-approval. Nothing in this Section 15.8 shall be construed to prohibit ZAI or its Affiliates or Sublicensees from making a public announcement or disclosure regarding the stage of development of Licensed Product(s) in ZAI's (or its Affiliates' or Sublicensees') product pipeline or disclosing clinical trial results regarding such Licensed Product(s), as may be required by Applicable Law or the rules of a securities exchange, as reasonably advised by ZAI's (or its Affiliates' or Sublicensees') counsel.

15.9 Relationship of the Parties. Each Party is an independent contractor under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute TESARO and ZAI as partners, agents or joint venturers. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any Third Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

15.10 Headings. Headings and captions are for convenience only and are not be used in the interpretation of this Agreement.

15.11 Entire Agreement. This Agreement (including all Exhibits attached hereto, which are incorporated herein by reference) (a) sets forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof, (b) constitutes and contains the complete, final and exclusive understanding and agreement of the Parties with respect to the subject matter hereof, and (c) cancels, supersedes and terminates all prior agreements (including the Prior CDA) and understanding between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations, conditions or understandings with respect to the subject hereof, whether oral or written, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

15.12 Counterparts. This Agreement may be executed in counter-parts with the same effect as if both Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

15.13 Registration. If required by Applicable Law, ZAI shall be responsible for the registration of this Agreement with all applicable Regulatory Authorities in the ZAI Territory. TESARO shall reasonably cooperate with ZAI in obtaining any such registrations, including providing relevant documents required by the applicable Regulatory Authorities in the ZAI Territory. Upon successful registration of this Agreement with each applicable Regulatory Authority in the ZAI Territory, ZAI shall promptly forward to TESARO copies of any registration certificates as well as any other documentation received by ZAI.

15.14 Interpretation.

(a) Each of the Parties acknowledges and agrees that this Agreement has been diligently reviewed by and negotiated by and between them, that in such negotiations each of them has been represented by competent counsel and that the final agreement contained herein, including the language whereby it has been expressed, represents the joint efforts of the Parties hereto and their counsel. Accordingly, in interpreting this Agreement or any provision hereof, no presumption shall apply against any Party hereto as being responsible for the wording or drafting of this Agreement or any such provision, and ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision. The English language version of this Agreement shall control any interpretations of the provisions of this Agreement.

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(b) The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation” whether or not such phrase is included. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “any” shall mean “any and all” unless otherwise clearly indicated by context. The words “day”, “quarter” or “year” means a calendar day, quarter or year, as applicable, unless otherwise specified.

(c) Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (ii) any reference to any Applicable Law herein shall be construed as referring to such Applicable Law as from time to time enacted, repealed or amended, (iii) any reference herein to any person shall be construed to include the person’s successors and assigns, (iv) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (v) all references herein to Articles, Sections or Exhibits, unless otherwise specifically provided, shall be construed to refer to Articles, Sections and Exhibits of this Agreement.

{Signature Page Follows}

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

IN WITNESS WHEREOF, the Parties have caused this License Agreement to be executed by their respective duly authorized officers.

Zai Lab (Shanghai) Co., Ltd.

By: /s/ Samantha Du
Name: Samantha Du
Title: CEO

TESARO, Inc.

By: /s/ Leon O. Moulder Jr.
Name: Leon O. Moulder Jr.
Title: CEO

TESARO DEVELOPMENT Ltd.

By: /s/ Joseph Farmer
Name: Joseph Farmer
Title: Director

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Exhibit A

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit B

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit C: Transferred Materials

[*] (two pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit D: Development Plan—Niraparib Clinical development plan in China

[*] (two pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

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Exhibit 10.3

LICENSE AGREEMENT

between

BRISTOL-MYERS SQUIBB COMPANY

and

ZAI LAB (HONG KONG) LIMITED

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made and entered into as of March 9, 2015 (the "**Effective Date**"), by and between **Bristol-Myers Squibb Company**, a State of Delaware, USA corporation with a place of business at Route 206 & Province Line Road, Princeton, NJ 08543-4000 USA ("**BMS**"), and **ZAI Lab (Hong Kong) Limited,** , a corporation organized and existing under the laws of Hong Kong, having a registration number of 1899671 and having its principal office at 1000 Zhangheng Road, Bldg. 65, Zhangjiang Hi-tech Park, Pudong New Area, Shanghai, China 201203 ("**ZAI**"). BMS and ZAI are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, BMS Controls (as defined below) certain patent rights and know-how rights with respect to the Licensed Compound (as defined below); and

WHEREAS, BMS desires to grant a license to ZAI to develop and commercialize the Licensed Compound in the Field and in the Partner Territory (as defined below) as set forth herein, with BMS having an option to co-commercialize the Licensed Compound in the Field and in the Partner Territory, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE in consideration of the foregoing and the mutual agreements set forth below, the Parties agree as follows.

1. DEFINITIONS

The terms in this Agreement with initial letters capitalized, whether used in the singular or the plural, shall have the meaning set forth below or, if not listed below, the meaning designated in places throughout this Agreement.

1.1 "**Affiliate**" of a Person means any other Person which (directly or indirectly) is controlled by, controls or is under common control with such Person, for so long as such control exists. For the purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to a Person means (i) direct or indirect ownership of voting securities entitled to cast more than fifty percent (50%) (or, if less than 50%, the maximum ownership interest permitted by Applicable Law) of the votes in the election of directors of such entity or (ii) the possession, directly or indirectly, of the power to direct the management and policies of such entity, whether through ownership of voting securities, by contract or otherwise.

1.2 "**Agreement**" means this License Agreement, together with all Appendices and Schedules attached hereto, as the same may be amended or supplemented from time to time.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

1.3 "**Allowable Expenses**" means those expenses that are incurred by a Party (or one of its Affiliates) and are specifically attributable to the Commercialization of a Licensed Product in the Partner Territory and that consist of: [*]. For clarity and the avoidance of doubt, "**Allowable Expenses**" shall *exclude* [*] except to the extent that [*]. In addition, any particular cost or expense meeting any of the criteria set forth above to be included in "**Allowable Expenses**" shall be counted only once in calculating total Allowable Expenses for a particular period, notwithstanding that such cost or expense meets or falls within more than one of such criteria.

1.4 "**Applicable Law**" means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of any federal, national, multinational, state, provincial, county, city or other political subdivision, agency or other body, domestic or foreign.

1.5 "**Approved Contractors**" shall have the meaning set forth in Section 5.9.

1.6 "**BMS Know-How**" means all technical information, data and know-how known to and Controlled by BMS as of the Effective Date or during the Term (including, without limitation, all biological, chemical, pharmacological, toxicological or clinical know-how and trade secrets) that is reasonably necessary or useful for the Development of the Licensed Compound or Licensed Product in the Partner Territory. BMS Know-How shall also include the (i) intangible knowledge and information conveyed to ZAI as set forth in Section 4.3 and (ii) [*] BMS' rights and interest in and to any Patents that claim any Joint Inventions and/or Sole Inventions of BMS. BMS Know-How does not include BMS Patent Rights.

1.7 "**BMS Patent Rights**" means all Patents Controlled by BMS as of the Effective Date or during the Term that relate to the Partner Territory and that claim (i) compositions of matter of the Licensed Compound or Licensed Product; (ii) methods or processes directed to the manufacture of the Licensed Compound or Licensed Product; or (iii) methods of use, administration or formulation of the Licensed Compound or Licensed Product, including without limitation, the Patents that are listed in Schedule 1.7 hereto as BMS Patent Rights. BMS Patent Rights shall also include [*] BMS' rights and interest in and to any Patents that claim any Joint Inventions and/or Sole Inventions of BMS.

1.8 "**BMS Territory**" means all countries and territories in the world other than those countries and territories included in the Partner Territory.

1.9 "**Business Day**" or "**business day**" means a day other than Saturday, Sunday or any day on which commercial banks located in Shanghai, China or New York, New York, U.S. (as applicable) are authorized or obligated by Applicable Law to close.

1.10 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.11 "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.12 "**CDE**" means the Chinese Center for Drug Evaluation.

1.13 "**CFDA**" means the China Food and Drug Administration, or any successor agency with a similar scope of responsibility regarding the regulation of human pharmaceutical products in China.

1.14 "**Change of Control**" means any transaction in which a Party: (a) sells, conveys or otherwise disposes of all or substantially all of its property or business; or (b)(i) merges, consolidates with, or is acquired by any other Person (other than an Affiliate of such Party, who was an Affiliate of such Party *prior* to such merger, consolidation or acquisition); or (ii) effects any other transaction or series of related transactions; in each case of subsection (i) or (ii), such that the stockholders of such Party immediately prior thereto, in the aggregate, no longer own, directly or indirectly, beneficially or legally, at least fifty percent (50%) of the outstanding voting securities or capital stock of the surviving Person following the closing of such merger, consolidation, other transaction or series of related transactions. As used in this Section 1.14, **"Person"** means any corporation, firm, partnership or other legal entity.

1.15 "**Combination Product**" is defined in Section 1.47.

1.16 "**Commercialization**" or "**Commercialize**" means activities directed to conducting Market Access Activities, marketing, Promoting, distributing, importing or selling a pharmaceutical product (including a Licensed Product).

1.17 "**Commercialization Costs**" means the direct costs incurred in accordance with the China Commercialization Plan that are specifically identifiable and attributable to the Commercialization of any Licensed Product in the Partner Territory, including: [*]. Commercialization Costs shall include costs of such activities that are undertaken at any time during the term of this Agreement (including prior to the initial Regulatory Approval of such Licensed Product). For clarity and the avoidance of doubt, "**Commercialization Costs**" shall exclude [*].

1.18 "**Commercially Reasonable Efforts**" means with respect to the Licensed Compound and Licensed Product(s), the carrying out of Development or Commercialization activities in a diligent manner using those efforts that a company within the pharmaceutical or biotechnology industry would reasonably devote to a compound or product of similar market potential at a similar stage in its product life, taking into account technical, regulatory, and other relevant factors, target product profiles, product labeling, the regulatory environment, and competitive market conditions in the therapeutic are, based on conditions then prevailing. Without limiting the foregoing, Commercially Reasonable Efforts requires that a Party: (i) timely assign responsibility for such Development and Commercialization activities to specific employees, contractors, agents, Affiliates or Sublicensees, as applicable, who are held accountable for progress with respect to such activities, (ii) monitor such progress on an on-going basis, (iii) set and seek to achieve objectives and timelines for carrying out such Development and Commercialization activities, and (iv) allocate resources designed to advance progress with respect to such objectives and timelines.

1.19 "**Competitive Product**" means a compound or product (other than the Licensed Compound or Licensed Product) that (1) [*], or (2) [*].

1.20 "**Confidential Information**" means all information, including trade secrets, processes, formulae, Data, know-how, improvements, inventions, chemical or biological materials, assays, techniques, marketing plans, strategies, customer lists, or other information that has been disclosed by or on behalf of one Party to the other Party under this Agreement, regardless of whether any of the foregoing are marked "confidential" or "proprietary" or communicated to the Receiving Party by the Disclosing Party in oral, written, graphic, or electronic form, or by visual inspection.

1.21 "**Controlled**" or "**Controls**", when used in reference to any particular subject matter including Patents, know-how, tangible materials or other intellectual property rights, means the legal authority or right of a Party to grant a license or sublicense to such subject matter to another Party, or to otherwise provide such other Party the right to access and use such subject matter, whether arising by ownership, license, or other authorization, without breaching the terms of any written agreement with a Third Party under which the first party first acquired rights to such subject matter, or misappropriating the proprietary or trade secret information of a Third Party.

1.22 "**Cover**," "**Covered**" or "**Covering**" means, with respect to a Patent, that, but for rights granted to a Person under such Patent, the practice by such Person of an invention claimed in such Patent would infringe a Valid Claim included in such Patent, or in the case of a Patent that is a patent application, would infringe a Valid Claim in such patent application if such claim were to issue in a patent as then prosecuted.

1.23 "**Data**" means pre-clinical, clinical, chemical, manufacturing and analytical data and any other data and information Controlled by a Party during the Term which is related to the Development or Commercialization of the Licensed Compound.

1.24 "**Detail**" means a face-to-face meeting (including a group presentation if in accordance with an approved China Commercialization Plan), including any such meeting conducted in a hospital or office setting (i) with one or more physicians and other persons included in other medical professional categories identified in the China Commercialization Plan (where, in the case of group presentations, the group presentation shall be counted as a single Detail), who are permitted under Applicable Law to prescribe the applicable Licensed Product, and (ii) in which key attributes of Licensed Product are orally or visually presented consistent with the terms of this Agreement, but shall not include merely a reminder or other promotional material drop, in each case as measured by each Party's internal recording of such activity in accordance with Section 6.2. "**Detail**" when used as a verb, and "**Detailing**" shall have correlative meanings.

1.25 "**Detail FTE Requirements**" means the total number of FTEs, calculated on a weighted basis, attributable to Sales and Medical Representatives required by each Party for the Promotion of Licensed Product as set forth in the China Commercialization Plan. For purposes of determining the weight of an FTE for an individual Sales and Medical Representative that is attributable towards a Party's Detail FTE Requirement, each Sales and Medical Representative FTE shall be multiplied by the following percentage based upon the number of products such Sales and Medical Representative promotes in the Partner Territory as follows: (a) one hundred percent (100%) when a Sales and Medical Representative promotes only a Licensed Product; (b) (i) [*] when a Sales and Medical Representative promotes a Licensed Product (and such Licensed Product is the first item

presented in the meeting and comprises [*] or more of the time of such meeting) if one additional product is promoted by such Sales and Medical Representative, and (b)(ii) [*] when a Sales and Medical Representative promotes a Licensed Product (and such Licensed Product is the second item presented in the meeting and comprises [*] or more of the time of such meeting) if one additional product is promoted by such Sales and Medical Representative; such weighted calculation shall be used to determine the total number of FTEs actually utilized by a Party for the Promotion of Licensed Product in determining whether such Party has met the requirement for such Party for Sales and Medical Representatives as set forth in the China Commercialization Plan.

1.26 "**Detailing Costs**" means the FTE Rate for Sales and Medical Representatives multiplied by the Detail FTE Requirements. The Detailing Costs shall be (a) [*], (b) defined in the China Commercialization Plan, and (c) based on the FTE Rate determined pursuant to Section 1.37. In the event a Party elects to provide a greater number of FTEs than are contemplated by the China Commercialization Plan, except as otherwise provided in Section 6.2(g), the costs attributable to such additional FTEs shall [*].

1.27 "**Development**" means, with respect to a Licensed Product, all processes and activities that are reasonably required to obtain Regulatory Approval of such Licensed Product, including, without limitation, toxicology, pharmacology and other pre-clinical efforts, test method development and stability testing, statistical analysis, pre-approval clinical studies and Regulatory Activities (including, without limitation, pre-approval studies and Regulatory Activities to obtain pricing and reimbursement approvals); in each case prior to the receipt of the applicable Regulatory Approval for such Licensed Product. When used as a verb, "**Develop**" means to engage in Development.

1.28 "**Development and Regulatory Costs**" means the costs incurred by ZAI or for its account, during the term of and pursuant to this Agreement, that are reasonably allocable to the Development of a Licensed Product and that are directed to achieving Regulatory Approval of such Licensed Product in the Partner Territory. The Development and Regulatory Costs shall include amounts that ZAI pays to Third Parties involved in the Development of a Licensed Product for the Partner Territory, and all internal costs incurred by ZAI in connection with the Development of such Licensed Product. Development and Regulatory Costs include the following: [*]; in each case incurred prior to the receipt of the applicable Regulatory Approval for a Licensed Product. For clarity, Development and Regulatory Costs do not include the costs of [*].

1.29 "**Development Territory**" means the Partner Territory plus [*].

1.30 "**Dollar(s)**" or "**$**" means the lawful currency of the United States.

1.31 "**Effective Date**" means the date specified in the initial paragraph of this Agreement.

1.32 "**Executive Officer**" means, (a) in the case of BMS, BMS' General Manager or its Head of R&D for the Partner Territory; and (b) in the case of ZAI, ZAI's Chief Executive Officer.

1.33 "**FDA**" means the U.S. Food and Drug Administration, or any successor agency of the U.S. government with a similar scope of responsibility regarding the regulation of human pharmaceutical products.

1.34 "**Field**" means the diagnosis, prevention, treatment or control of oncology indications.

1.35 "**First Commercial Sale**" means, with respect to any Licensed Product, the first sale by ZAI to a Third Party of such Licensed Product in the Partner Territory after Regulatory Approval of such Licensed Product has been granted in the Partner Territory, or such marketing and sale is otherwise permitted, by the Regulatory Authority in the Partner Territory; *provided* that First Commercial Sale does not include the supply of Licensed Product to an Affiliate or Sublicensee or for clinical trials, compassionate use or sales made on a named-patient basis.

1.36 "**FTE**" means the equivalent of the work of one (1) employee full time for one (1) year consisting of a total of [*] hours per year (or such other number as may be agreed to by the Parties) directly related to the activities conducted by Sales and Medical Representatives with respect to any Licensed Product, Commercialization of any Licensed Product, or Market Access Activities, in each case in the Partner Territory. Any individual who devotes less than [*] hours per year (or such other number as may be mutually agreed by the Parties) to such activities shall be treated as an FTE on a pro-rata basis upon the actual number of hours worked divided by [*] hours (or such other number as may be agreed by the Parties). Any individual who actually works more than [*] hours (or such other number as may be mutually agreed by the Parties) to such activities shall be considered as greater than one FTE (in proportion to the number of extra hours actually worked) for purposes of determining whether Detail FTE Requirements have been met. The [*] hours figure (or such other number as may be agreed by the Parties) shall be used without regard to the Parties' own internal definition of the number of hours that comprises a full time employee. With respect to Sales and Medical Representatives, Commercialization or Market Access Activities, the number of FTEs shall be included in the Allowable Expenses on the basis of the budgeted FTEs provided for in the applicable China Commercialization Plan in accordance with Section 6.2.

1.37 "**FTE Rate**" means the rate, determined and adjusted by the JCC, to be used by both Parties in determining the annual cost of a full-time employee in the applicable functional area and for Sales and Medical Representatives on a geographic basis.

1.38 "**GAAP**" means, (i) with respect to BMS, the Generally Accepted Accounting Principles in the U.S. and (ii) with respect to ZAI, the Generally Accepted Accounting Principles in the P.R.C.; in each case as consistently applied by the applicable Party.

1.39 "**GCP**" means the Good Clinical Practice for Drugs (i.e. □□□□□□□□□□□□) promulgated by CFDA effective as of September 1, 2003, together with any guidelines and/or implementation rules issued by CFDA in connection thereto, in each case as amended from time to time.

1.40 "**Indication**" means, with respect to a Licensed Compound or Licensed Product, the use of that Licensed Compound or Licensed Product for the treatment, prevention, mitigation or cure of any [*]. Indications will be deemed the same for purposes of this Agreement if the [*] even if they are, for example, [*] or [*] (e.g., [*]), and will be deemed different if the subject cancers [*] (e.g., [*]). Among [*], Indications for [*], but not [*], shall be considered different Indications.

1.41 "**Invention**" means any and all inventions and improvements, whether or not patentable, that are conceived or reduced to practice or otherwise made or discovered by or on behalf of a Party (and/or its Affiliates) (whether alone or jointly) in the performance of its obligations, or the exercise of its rights, under this Agreement, including but not limited to, processes, methods, compositions of matter, formula, formulations, articles of manufacture, discoveries or findings, compounds, products, biological materials, cell lines, samples of assay components, media, designs, ideas, programs, software models, algorithms, developments, experimental works, compilations of data, in each case relating to Licensed Compound and Licensed Products.

1.42 "**Joint Invention**" means any Invention invented, made or discovered jointly by both Parties.

1.43 "**Licensed Compound**" means BMS' proprietary multitargeted kinase inhibitor known as brivanib or BMS-582664.

1.44 "**Licensed Product**" means any pharmaceutical product containing the Licensed Compound, in all forms, presentations, formulations and dosage forms, for use in the Field.

1.45 "**Manufacturing Costs**" means, with respect to a Licensed Product, the costs calculated in accordance with GAAP, whether such Licensed Product is (a) supplied by a Third Party; or (b) manufactured directly by ZAI or an Affiliate of ZAI, determined as follows:

In the case of clause (a) above, Manufacturing Costs means (i) those amounts that are payable to a Third Party and actually incurred by ZAI [*] in consideration for the supply of a Licensed Product from such Third Party, which may include [*]. In addition, such Third Party costs may include expenses related to [*], each to the extent actually incurred by ZAI, plus (ii) [*] in connection with the manufacture, including [*], of such Licensed Product.

In the case of clause (b) above, Manufacturing Costs means ZAI's or its Affiliates' actual cost of goods sold as determined in accordance with GAAP. Actual costs of goods sold include [*]. In addition to actual cost of goods sold, Manufacturing Costs will include [*]. All components of Manufacturing Costs shall be allocated on a basis consistent with ZAI's customary cost accounting practices consistently applied by it to the other products it produces (and so long as the same are consistent with GAAP and are applied on a fully utilized capacity basis). Costs [*], such as [*], and [*], shall not be included in the determination of Manufacturing Costs.

1.46 "**Market Access Activities**" means activities set forth in the China Commercialization Plan and that are undertaken to make available a Licensed Product for sale in the Partner Territory, including without limitation, obtaining and maintaining the price and reimbursement for such Licensed Product, hospital listing, and tendering and/or entering into bidding for a Licensed Product in a given locality in the Partner Territory. For clarity, Market Access Activities shall not include manufacture or Detailing.

1.47 "**Net Sales**" means, with respect to any Licensed Product, the amount received by a Party, an Affiliate of a Party, or their respective permitted Sublicensee for sales of such Licensed Product to a Third Party in the Partner Territory or BMS Territory (as applicable) less:

(a) discounts (including, without limitation, cash discounts and quantity discounts), retroactive price reductions, inventory management fees, charge-back payments and rebates granted to managed health care organizations or to federal, state and local governments, their agencies, and purchasers and reimbursers or to trade customers (a "**Discount**"); *provided however*, that where any such Discount is based on sales of a bundled set of products in which such Licensed Product is included, the Discount may be deducted under Section 1.47 only to the extent allocated to such Licensed Product on a pro rata basis based on the [*] (i.e., [*]) of the Licensed Product relative to the [*] contributed by the other constituent products in the bundled set, with respect to such sale;

(b) credits or allowances actually granted upon claims, damaged goods, rejections or returns of such Licensed Product, including such Licensed Product returned in connection with recalls or withdrawals;

(c) freight out, postage, shipping and insurance charges for delivery of such Licensed Product;

(d) all taxes (including excise taxes and value-added taxes, but specifically excluding taxes based on the net incomes of the seller), duties or other governmental charges, fees or rebates (or rebate equivalents) levied on, absorbed, allocable to, based on, or otherwise incurred as a result of the sale of such Licensed Product (or otherwise measured by the invoiced or billed amount) including value-added Chinese surcharge tax to the extent directly linked to sales of a Product, but not including any such tax assessed against the income derived from such sale; and

(e) [*].

If a Licensed Product is sold as part of a combination that (i) contains at least one Licensed Product and at least one additional therapeutically active ingredient that is not a Licensed Product; or (ii) is product consisting of one or more separate drugs, devices, tests, kits or biological products and sold together with a Licensed Product in a single package or as a unit (a "**Combination Product**"), the Net Sales of such Licensed Product for the purpose of calculating royalties owed under this Agreement for sales of such Licensed Product, shall be determined as follows: first, determine the actual Net Sales of such Combination Product (using the above provisions) and then such amount shall be multiplied by the fraction A/(A+B), where A is the average gross selling price in the applicable country of such Licensed Product sold separately, if sold separately, in the same formulation and dosage, and B is the sum of the average gross selling prices in the applicable country of each other active ingredient, drug, device, test, kit or biological product in the

Combination Product sold separately, if sold separately, in the same formulation, dosage or unit quantity. If any active ingredient, drug, device, test, kit or biological product in the Combination Product is not sold separately in the relevant formulation, dosage or unit quantity, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product by the fraction A/C where A is the average gross selling price in the applicable country of such Licensed Product sold separately in the same formulation and dosage and C is the average gross selling price in the applicable country of such Combination Product. If neither the Licensed Product nor any other active ingredient, drug, device, test, kit or biological product in the Combination Product is sold separately in the relevant formulation, dosage or unit quantity, the adjustment to Net Sales shall be determined by the Parties in good faith to reasonably reflect the fair market value of the contribution of such Licensed Product in the Combination Product to the total fair market value of such Combination Product.

1.48 "**Operating Profit (or Loss)**" means Net Sales of Licensed Product(s) in the Partner Territory less Allowable Expenses in the Partner Territory. For sake of clarity, Operating Profit (or Loss) shall be determined prior to application of any income taxes, and if such terms are used individually, "**Operating Profit**" shall mean a positive Operating Profit (or Loss), and "**Operating Loss**" shall mean a negative Operating Profit (or Loss).

1.49 "**Partner Territory**" means the People's Republic of China, including Hong Kong and Macau (but excluding Taiwan which is included in the BMS Territory), which shall be subject to expansion pursuant to Section 5.7(b).

1.50 "**Patents**" means all of the following, whether existing as of the Effective Date or during the Term, anywhere in the world: (a) patents and patent applications, (b) all priority applications, provisionals, divisionals, continuations, and continuations-in-part of any of the foregoing, and (c) all patents issuing on any of the foregoing patent applications, together with all inventor's certificates, substitutions, validations, registrations, reissues, renewals, reexaminations, confirmations, supplementary protection certificates, and extensions of any of (a), (b) or (c).

1.51 "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, business trust, joint venture company, governmental authority, association or other entity.

1.52 "**Phase IV Clinical Trial**" means a product support human clinical trial, or other test or study, of a Product for an indication that is either (i) commenced after receipt of the initial Regulatory Approval for such Product for such indication and that is conducted within the parameters of the Regulatory Approval for the Product for such indication (and which may include investigator sponsored clinical trials), but shall not include any Required Post-Approval Study. Phase IV Clinical Trials may include trials or studies conducted in support of pricing/reimbursement, epidemiological studies, modeling and pharmacoeconomic studies, voluntary post-marketing surveillance studies, and health economics studies.

1.53 "[*] **Invention**" means any and all Inventions that are [*] (and [*]) that are invented or discovered by or on behalf of [*] (and/or its Affiliates).

1.54 "**Product Trademarks**" means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan or other indicia of origin or ownership, including registrations and applications therefor owned or controlled by ZAI that exclusively relate to any Licensed Compound or Licensed Product or otherwise included in any labeling for the Licensed Product for the Partner Territory or promotional materials approved by the JCC for the Product under this Agreement and the goodwill associated with each of the foregoing.

1.55 "**Promote**" means to promote, market, or provide product support for a Licensed Product, including by way of example: (a) Detailing, (b) marketing for a Licensed Product, and (c) other promotional activities in support of a Licensed Product. For clarity, "**Promoting**", "**Promotion**" and "**Promotional**" have a correlative meaning, and Promotional activities do not include manufacturing, selling, distributing or Market Access Activities.

1.56 "**Regulatory Activities**" shall mean any regulatory activities directed towards compiling, filing and obtaining any Regulatory Approval for a Licensed Product in the Partner Territory including completion of any sample testing required by Regulatory Authorities for a Licensed Product in the Partner Territory.

1.57 "**Regulatory Approval**" means all approvals necessary for the manufacture, marketing, importation, exportation and sale of a Licensed Product in the Partner Territory which may include, without limitation, satisfaction of all applicable regulatory and notification requirements.

1.58 "**Regulatory Authority(ies)**" means any federal, national, supranational, state, provincial or local regulatory agency, department, bureau or other governmental authority, including, without limitation, the CDE and the CFDA, that has authority over the manufacture, Development, Commercialization or other use or exploitation (including the granting of Regulatory Approval) of any Licensed Product in any applicable regulatory jurisdiction.

1.59 "**Regulatory Materials**" means materials developed or compiled in preparation for Regulatory Authority meetings, regulatory applications, submissions, dossiers, notifications, registrations, Regulatory Approvals and/or other filings made to or with, or other approvals granted by, a Regulatory Authority that are necessary or reasonably desirable for the Development, manufacture, market, sale, or Commercialization of a Licensed Product in a particular regulatory jurisdiction.

1.60 "**Required Post-Approval Study**" means a human clinical trial of a Product that (i) is required, requested or advised by a Regulatory Authority as a condition of, or in connection with, obtaining or maintaining a Regulatory Approval and is conducted after receipt of such Regulatory Approval (whether the trial is commenced prior to or after receipt of such Regulatory Approval).

1.61 "**Safety Reasons**" means it is a Party's reasonable belief, that there is an unacceptable risk for harm in humans based upon: (i) pre-clinical safety data, including data from animal toxicology studies; or (ii) the observation of serious adverse effects in humans after a Licensed Product has been administered to or taken by humans, such as during a clinical trial or after the First Commercial Sale of such Licensed Product.

1.62 "**Sales and Medical Representatives**" means employees of a Party who are responsible for performing Detailing activities or medical education activities in connection with the Promotion of a Licensed Product.

1.63 "**Sole Invention**" means any Invention invented or discovered solely by or on behalf of a Party following the Effective Date, including by its employees, contractors and/or agents.

1.64 "**Stopping Criteria**" means the safety criteria for ceasing Development of the Licensed Compound as mutually agreed to by the Parties' representatives at the JDC and set forth in the Partner Development Plan.

1.65 "**Sublicense**" means any agreement (i) by which ZAI or an Affiliate of ZAI grants a sublicense to a Third Party under the rights licensed to ZAI under this Agreement with respect to the Licensed Compound or Licensed Product, including without limitation any license, sublicense, co-development, joint venture, Development and Commercialization collaboration or similar transaction involving the grant of a sublicense, and including any further sublicense of such rights by such Third Party to any other Third Party, but excluding subcontracts with Approved Contractors to conduct certain development, manufacture and/or commercialization activities by or on behalf of ZAI, even though a limited license may be granted in order for such Approved Contractor to conduct such activities; or (ii) by which BMS or an Affiliate of BMS grants a license to a Third Party or such Third Party grants a sublicense thereunder to another Third Party, in each case with respect to one or more Licensed Compound(s) and Licensed Product(s) for Commercialization in the Partner Territory.

1.66 "**Sublicensee**" means any Third Party granted a Sublicense by ZAI or an Affiliate of ZAI with respect to the Licensed Compound or any Licensed Product, or any Third Party granted a Sublicense by BMS or an Affiliate of BMS, and in each case shall also include any Third Party to whom such rights are transferred through further sublicense by a Sublicensee. For clarity, Sublicensee shall exclude Third-Party contractors, including without limitation, contract manufacturers, service providers, distributors, contract sales organizations and resellers.

1.67 "**Territory**" means (a) with respect to BMS, the BMS Territory and (b) with respect to ZAI, the Partner Territory.

1.68 "**Third Party**" means any Person other than: ZAI, BMS, and their respective Affiliates.

1.69 "**Third Party License Payments**" means the following payments to the extent due and payable after the Effective Date: (a) [*], (b) [*] and (c) [*], in each case payable by a Party to a Third Party under agreements entered into, subject to the terms of this Agreement, after the Effective Date in consideration of any rights necessary or useful for the manufacture, importation, or distribution of a Licensed Product in each case ((a)-(c)), in or for the Partner Territory.

1.70 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including, without limitation, Puerto Rico).

1.71 "**Valid Claim**" means a claim of (i) an issued and unexpired patent or a supplementary protection certificate, which claim has not been held invalid or unenforceable by a court or other government agency of competent jurisdiction from which no appeal can be or has been taken and has not been held or admitted to be invalid or unenforceable through re-examination or disclaimer, opposition procedure, nullity suit or otherwise, or (ii) a pending patent application; *provided*, *however*, that if a claim of a pending patent application shall not have issued within [*] after the earliest filing date from which such claim takes priority, such claim shall not constitute a Valid Claim for the purposes of this Agreement unless and until a patent issues with such claim.

Additional Definitions. Each of the following terms shall have the meaning described in the corresponding section of this Agreement indicated below:

TERM	SECTION DEFINED
Adverse Impact	3.6
Agreement	Introduction
Alliance Managers	3.14
BMS	Introduction
China Commercialization Plan	6.2(b)(ii)
CMC	4.1
Compliance Committee	6.4
Competing Activities	2.5(a)
Consented Sublicensee	2.2
Co-Promoted Product	6.2(a)
Co-Promotion Notice	6.2(a)
Cure Period	13.2(b)(i)
Disclosing Party	11.1
Discount	1.47(a)
District Court	15.8

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Election Period	6.2(a)
Effective Date	Introduction
Force Majeure	15.3
Indemnification Claim	12.3
Indemnitee	12.3
Indemnitor	12.3
Joint Commercialization Committee/JCC	3.7
Joint Development Committee / JDC	3.1
Losses and Claims	12.1
Partner Development Plan	5.3
Party	Introduction
Party Vote	3.5
Pharmacovigilance Agreement	5.10
Post-Execution Affiliate	2.5(a)
Prior CDA	11.4
Receiving Party	11.1
Regulatory Filing Notice	6.2(a)
Royalty Term	9.4
ZAI	Introduction
ZAI Commercialization Opt-Out Date	6.3
ZAI Exclusivity Period	2.5(a)
Subject Transaction	2.5(a)
Term	13.1
Working Team	3.13

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

2. LICENSE GRANTS

2.1 Licenses.

(a) BMS Patent Rights and BMS Know-How. Subject to the terms and conditions set forth in this Agreement (including, without limitation, the reservation of rights in Section 2.4), BMS hereby grants to ZAI (i) an exclusive (subject to BMS right to co-promote Licensed Product as set forth in Section 6.2 and ZAI's right to opt-out of commercialization of Licensed Product as set forth in Section 6.3) license under the BMS Patent Rights and BMS Know-How to make, have made, use, offer for sale, sell, import and otherwise Commercialize Licensed Products solely in the Partner Territory and in the Field; and (ii) an exclusive license under the BMS Patent Rights and BMS Know-How to conduct Development activities in the Development Territory for the purpose of obtaining Regulatory Approval of the Licensed Product in the Partner Territory in the Field, solely in accordance with Section 5.1. The foregoing licenses are non-transferable (except in accordance with Section 15.4), and sublicensable solely in accordance with Section 2.2.

(b) Co-Exclusivity. Neither Party shall grant any Third Party the right to Commercialize the Licensed Product in the Partner Territory in the Field other than (i) subject to Section 2.2, to one Sublicensee that exercises such right on behalf of such Party, or (ii) one or more contract sales organizations ("**CSO**s") in accordance with Section 6.2(h).

2.2 Sublicenses.

(a) Subject to Sections 2.2(b) and 2.2(c) and 5.9 below, neither Party shall grant any Sublicense to any Third Party without the prior written consent of the other Party. For clarity, each Party shall have the right to perform any of its obligations or exercise any of its rights under this Agreement through one or more Affiliates of such Party without the other Party's prior consent ; provided that (a) any such performance or exercise shall not have any adverse tax or financial impact on the other Party and (b) such first Party shall be fully responsible for its Affiliates' performance hereunder.

(b) In the event that BMS does not exercise its option to co-Promote the Licensed Product pursuant to Section 6.2, ZAI shall have the right to sublicense Commercialization rights for the Licensed Product, [*].

(c) In the event ZAI elects ZAI Commercialization Opt Out pursuant to Section 6.3, BMS shall have the right to grant Sublicenses without the prior written consent of ZAI.

(d) In the event that a Party grants a Sublicense to a Third Party, the following terms and conditions shall apply:

(i) such Sublicense shall be consistent with the terms and conditions of this Agreement (including the geographic limitations), and shall not impair (A) the sublicensing Party's ability to perform its obligations under this Agreement or (B) the non-sublicensing Party's rights under this Agreement;

(ii) promptly after the execution of such Sublicense, the sublicensing Party shall provide a copy of such Sublicense to the non-sublicensing Party with financial and other confidential or proprietary commercial terms redacted (to the extent that such other commercial terms are not reasonably necessary for the non-sublicensing Party to determine the sublicensing Party's compliance with and payment obligations under this Agreement);

(iii) The sublicensing Party shall remain responsible for the performance of this Agreement, the payment of all payments due, and making reports and keeping books and records, and shall use commercially reasonable efforts to monitor such Sublicensee's compliance with the terms of such Sublicense; and

(iv) any rights granted by ZAI in a Sublicense (to the extent such sublicensed rights are granted to ZAI in this Agreement) shall [*]; provided that each such Sublicensee shall [*].

(e) It shall be a material breach of this Agreement for either Party to enter into any Sublicense hereunder not in material compliance with this Section 2.2

2.3 No Implied Licenses. Except as expressly set forth herein, no license or other right is or shall be created or granted hereunder by implication, estoppel or otherwise for any purpose. All such licenses and rights are or shall be granted only as expressly provided in this Agreement.

2.4 Retained Rights. Subject to the terms and conditions of this Agreement including Section 2.5, as between the Parties, all rights with respect to BMS Patent Rights and BMS Know-How not expressly granted under Sections 2.1 and 2.2 (including rights to products incorporating Licensed Compound for use outside the Field) are reserved by BMS and may be used or practiced by BMS for any purpose. Without limiting the foregoing and subject to the provisions of this Agreement, BMS retains any and all rights under the BMS Patent Rights and BMS Know-How to make, have made, use, sell, have sold, offer to sell, export or import the Licensed Compound and Licensed Product(s) for use in the BMS Territory for any purpose, including the right to conduct Development activities in the BMS Territory [*] to support Development and/or Commercialization of the Licensed Compound and Licensed Product(s) in the BMS Territory. Subject to the terms and conditions of this Agreement, including Section 2.5, BMS also expressly reserves and retains, under the BMS Patent Rights and BMS Know-How, the worldwide (i) right to make, have made and use the Licensed Compound for any internal research purposes (including but not limited to for purposes of screening in support of BMS' internal research programs), (ii) right to support the filing and prosecution of patent applications, and (iii) exclusive right to make, have made and use the Licensed Compound for use as an intermediate or starting material in the manufacture of any compound which is not the Licensed Compound. In the event that BMS develops or commercializes a Licensed Product in the Partner Territory outside of the Field, the Parties will negotiate in good faith with respect to an agreement to address operational issues relating to pharmacovigilance, measurement of Net Sales of Licensed Product in the Field (as opposed to outside of the Field), the co-promotion by BMS of Licensed Product in the Field (including allocation of BMS' promotional efforts for purposes of determining Allowable Expenses hereunder) and other similar issues that may arise as a result of such development or commercialization.

2.5 Exclusivity.

(a) ZAI

(i) Generally. ZAI agrees, on behalf of itself and its Affiliates, to not work independently of this Agreement for itself or any Third Party to (A) [*] with respect to a Competitive Product in the Partner Territory, for a period starting on the Effective Date and ending on the date which is the earlier of (x) [*] or (y) [*] or (B) [*] a Competitive Product in the Partner Territory, for a period starting on the Effective Date and ending on the date which is the earlier of (I) [*] or (II) [*] (such period, the "**ZAI Exclusivity Period**").

(ii) No Development or Commercialization Outside the Territory or the Field. ZAI agrees, on behalf of itself and its Affiliates, that it shall not work independently of this Agreement for itself or any Third Party to (1) conduct any clinical development of a Licensed Product outside of the Development Territory, (2) conduct any commercialization or manufacture of a Licensed Product outside of the Partner Territory, or (3) conduct any clinical development or manufacture or commercialization of a Licensed Product outside of the Field anywhere in the world.

(iii) Acquisition of a Competitive Product. In the event that ZAI (or any of its Affiliates) enters into a transaction in which ZAI (or any of its Affiliates) merges, consolidates with, is otherwise acquired by or acquires a Third Party (including through a Change of Control transaction) and such Third Party is engaged in activities that would be prohibited under Section 2.5(a) or (b) if conducted by ZAI (the "**Competing Activities**") (such transaction hereinafter referred to as a "**Subject Transaction**"), then the Third Party in the Subject Transaction shall be deemed an Affiliate of ZAI after the effective date of the Subject Transaction (such Affiliate, a "**Post-Execution Affiliate**"). ZAI shall provide notice to BMS, within [*] Business Days after the closing of the Subject Transaction, specifying the identity of the Post-Execution Affiliate and describing in reasonable detail, to the extent permitted by Applicable Law and without disclosing any proprietary information, the Competing Activities. At BMS's request, ZAI shall (i) enter into a definitive agreement with a Third Party to Divest such Competing Product (other than as part of any Hold Separate Transaction) within [*] after the closing of such Subject Transaction, or, if such Divestiture is subject to the terms of a Hold Separate Transaction, within [*] after the closing of the Subject Transaction; (ii) discontinue sales of the Competing Product no later than [*] after the closing of such Subject Transaction; or (iii) terminate this Agreement with all rights granted to ZAI hereunder reverting to BMS. "**Hold Separate Transaction**" means any "hold separate" transaction (whether through the establishment of a trust or otherwise) involving the proposed sale of a Competing Product pursuant to an agreement with any governmental authority responsible for antitrust laws. "**Divest**" or "**Divestiture**" means, with respect to any Competing Product, (A) the sale, exclusive license or other transfer of all of the right, title and interest in and to such Competing Product, including all technology, intellectual property and other assets relating solely thereto, to an independent Third Party, without the retention or reservation of any rights, license or interest (other

than solely an economic interest and customary residual rights in the event of a termination) in such Competing Product, or (B) the complete shutdown of the Competing Product such that no technology, intellectual property or other asset relating thereto is used by ZAI or its Affiliates and delivery of written confirmation from ZAI to BMS that ZAI and its Affiliates covenant not to use any technology, intellectual property and assets solely relating to such Competing Product during the ZAI Exclusivity Period (as applicable, with respect to development or commercialization).

(b) BMS. BMS agrees, on behalf of itself and its Affiliates, to not work independently of this Agreement for itself or any Third Party to [*] a Competitive Product [*], in each case in the Partner Territory, for a period starting on the Effective Date and ending on the date which is [*].

3. GOVERNANCE

3.1 Establishment of JDC. The Parties will establish a joint development committee to review and oversee the Development activities of the Parties in accordance with the Partner Development Plan and to coordinate the Development activities of the Parties and Third Parties acting under their authority (the "**Joint Development Committee**" or "**JDC**"). The names of the initial members of the JDC (to the extent known as of the Execution Date) are set forth on Schedule 3.1. The JDC will initially consist of one (1) representative from each Party. The JDC may change its size from time to time by mutual consent of the Parties, *provided* that the JDC will consist at all times of an equal number of representatives of each of ZAI and BMS. Each Party may at any time appoint different JDC representatives with appropriate expertise by written notice to the other Party.

3.2 Chairpersons of JDC**.** Each of ZAI and BMS will select from their representatives (in the event that the JDC consists of more than one representative from each Party) a co-chairperson for the JDC, and each Party may change its designated co-chairperson from time to time upon written notice to the other Party. The co-chairpersons of the JDC will be responsible for calling meetings, preparing and circulating an agenda and relevant materials (including drafts of, updates to, or any proposed changes to a Partner Development Plan) to the other Party at least ten (10) business days in advance of each meeting, and preparing and issuing minutes of each meeting within ten (10) business days thereafter.

3.3 JDC Responsibilities. The JDC shall be responsible for overseeing and coordinating the Development of the Licensed Compound in the Partner Territory and in the Field, including (i) reviewing and approving changes to the Partner Development Plan, (ii) reviewing the Parties' Development activities and progress against the Partner Development Plan, (iii) evaluating the Partner Development Plan outcomes against the Stopping Criteria, and (iv) reviewing, discussing and coordinating scientific presentations and publication plans with respect to the Licensed Compound, Licensed Product and any results arising therefrom during the course of the Partner Development Plan.

3.4 Jdc Meetings. The JDC will hold meetings (either in person or by teleconference) at such times and places as the co-chairpersons may reasonably determine at any time or from time-to-time. Each Party will bear its own costs associated with attending meetings. Each individual attending any JDC meeting hereunder (whether as a JDC member or invitee) shall be bound by written non-use, non-disclosure terms and conditions at least as restrictive as those set forth in this Agreement with respect to the Confidential Information of the other Party (for clarity, this may be through employment agreements with such individuals).

3.5 Decision-Making at the JDC. [*] concerning the Development of the Licensed Compound pursuant to the Partner Development Plan in the Partner Territory, if applicable, shall [*]. [*], including (for clarity) any [*] or [*], shall require unanimous consent of the JDC; provided that with respect to [*], and subject to Sections [*], [*] shall not unreasonably withhold its consent so long as [*]. The members of each Party on the JDC shall collectively have one vote (the "**Party Vote**"). Except as otherwise provided above or in Section 3.6 below, decisions of the JDC shall be made by unanimity of the Party Votes, *provided* that at least one (1) representative from each Party participates in such vote. In the event that the JDC does not reach unanimity with respect to a particular matter, and the JDC is unable to resolve the dispute after endeavoring for fifteen (15) business days to do so, then either Party may, by written notice to the other, have such matter referred to the Parties' Executive Officers, who shall meet promptly (either in person or via teleconference) and negotiate in good faith to resolve the dispute.

3.6 Term of the JDC. The JDC shall have no further responsibility and shall be dissolved upon the cessation of all Development activities with respect to Licensed Products or upon mutual agreement of the Parties.

3.7 Establishment of JCC. In the event that any Licensed Product becomes a Co-Promoted Product, as soon as practicable after such designation, the Parties shall establish a joint committee that will oversee and facilitate communications between the Parties with respect to the Commercialization of the Licensed Product(s) (such committee, the "**Joint Commercialization Committee**" or "**JCC**"). Each Party will initially appoint three (3) representatives with appropriate expertise to the JCC. Each Party will also appoint a finance representative to the JCC to coordinate financial flows, financial reporting and other financial related matters as applicable. The JCC may change its size from time to time by mutual consent of the Parties, *provided* that the JCC will consist at all times of an equal number of representatives of each of ZAI and BMS. Each Party may at any time appoint different JCC representatives with appropriate expertise by written notice to the other Party.

3.8 Chairpersons of JCC. Each of ZAI and BMS will select from their representatives a co-chairperson for the JCC, and each Party may change its designated co-chairperson from time to time upon written notice to the other Party. The co-chairpersons of the JCC will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and issuing minutes of each meeting within thirty (30) days thereafter.

3.9 JCC Responsibilities. The JCC will oversee the Commercialization strategy of the Licensed Product(s) in the Partner Territory, review and approve the China Commercialization Plan and any amendment thereof, and oversee the implementation of the China Commercialization Plan, in addition to performing other responsibilities explicitly assigned to it in this Agreement, including establishing FTE Rate.

3.10 JCC Meetings. The JCC will hold meetings (either in person or by teleconference) at such times and places as the co-chairpersons may reasonably determine, *provided* that, unless the Parties agree otherwise, the JCC will meet quarterly. Each Party will bear its own costs associated with attending meetings. Each individual attending any JCC meeting hereunder (whether as a JCC member or invitee) shall be bound by written non-use, non-disclosure terms and conditions at least as restrictive as those set forth in this Agreement with respect to the Confidential Information of the other Party (for clarity, this may be through employment agreements with such individuals).

3.11 Decision-Making at the JCC. Decisions of the JCC shall be made by consensus of the members present (either in person or via teleconference) at any JCC meeting, with at least one (1) representative from each Party participating in such vote. In the event that the JCC cannot reach unanimity with respect to a particular matter within its authority, and the JCC is unable to resolve the dispute after endeavoring for fifteen (15) business days to do so, then either Party may, by written notice to the other, have such matter referred to the Parties' Executive Officers, who shall meet promptly (either in person or via teleconference) and negotiate in good faith to resolve the dispute. In the event the Parties' Executive Officers cannot resolve such dispute within fifteen (15) business days after such matter is referred to them, [*] shall have the final decision-making authority, subject to the following limitations: (a) all decisions shall be made in good faith, with due regard for the impact of such decisions on the Licensed Products [*], (b) no decision by [*] shall violate or breach any term or condition of this Agreement, and (c) [*] shall not have the final decision making authority on matters that require consensus of the Parties, as expressly set forth in this Agreement. Notwithstanding anything to the contrary, (i) [*], shall require unanimous consent of the JCC, (ii) in the event that the Parties fail to agree with respect to [*], then the matter shall be subject to dispute resolution and arbitration pursuant to Article 14; (iii) in the event of any disagreement of the Parties with respect to [*], [*] shall remain in effect unless and until the Parties reach agreement [*]; *provided* that if both Parties [*] that [*] then [*]; and *provided further* that if both Parties [*] then [*], and (iv) any dispute regarding whether [*] shall be finally resolved by arbitration in accordance with Section 14.2. For clarity, [*] shall have final-decision-making authority with respect to [*], in each case in accordance with [*] as mutually agreed by the Parties.

3.12 Limitations on authority of JDC and JCC. The JDC and JCC will have sole authority with respect to the responsibilities assigned to such committees in Section 3.4 and Section 3.9, respectively, and elsewhere in this Agreement. Neither the JDC nor the JCC will have any authority to amend, modify or waive compliance with this Agreement. For clarity, neither BMS nor ZAI will have any right to unilaterally modify, amend or waive its own compliance with the terms of this Agreement.

3.13 Working Teams. From time to time, the JDC or JCC may establish and delegate duties to other committees, sub committees or directed teams (each, a "**Working Team**") on an "as needed" basis to oversee particular projects or activities, which delegations shall be reflected in the minutes of the meetings of the applicable committee. Such Working Teams may be established on an ad hoc basis for purposes of a specific project or on such other basis as the JDC or JCC, as the case may be, may determine, and shall be constituted and shall operate as the establishing committee may determine; *provided* that each Working Team shall have substantive representation from each Party and decision making shall be by consensus, with each Party's representatives on the applicable Working Team collectively having one vote on all matters brought before the Working Team. Each Working Team and its activities shall be subject to the oversight, review and approval of, and shall report to, the committee that established such Working Team. In no event shall the authority of the Working Team exceed that specified for the relevant Committee in this Article 3.

3.14 Alliance Managers. Each Party shall appoint a single individual to act as the primary point of contact between the Parties in connection with the Development and Commercialization of the Licensed Compound and Licensed Product(s) (the "**Alliance Managers**"). Each Party may at any time appoint a different Alliance Manager by written notice to the other Party and may elect, upon mutual agreement by the Parties, to eliminate the responsibilities of the Alliance Managers. The Alliance Managers will (i) use good faith efforts to attend all meetings of the JDC and (if applicable) the JCC, but shall be non-voting members at such meetings, and (ii) be the first point of referral for all matters of conflict resolution, and bring disputes to the attention of the JDC or JCC in a timely manner. From time to time, the Parties may establish additional committees and/or subcommittees as needed to coordinate and oversee the collaboration under this Agreement.

4. TRANSFER OF KNOW-HOW AND MATERIALS

4.1 Documentation. ZAI hereby acknowledges that BMS has provided to ZAI, prior to the Effective Date, the scientific, regulatory, and chemistry, manufacturing and controls ("**CMC**") documents. All such documentation previously provided by BMS is and shall remain the sole property of BMS and is Confidential Information of BMS (subject to Section 11.1(b), whether or not marked as such) and shall not be used by ZAI for any purpose other than Development or Commercialization of the Licensed Compound and Licensed Product(s) in the Partner Territory in accordance with this Agreement and to conduct manufacturing activities in accordance with this Agreement (including engaging Third Party contract manufacturer to conduct such manufacturing activities). Without limiting the foregoing, the CMC documentation provided by BMS and described in this Section 4.1 shall be used by ZAI solely for purposes of developing and submitting applications for, and obtaining, Regulatory Approvals in accordance with this Agreement. ZAI shall not make copies of such CMC documentation other than a reasonable number of paper and electronic copies as necessary purposes of developing and submitting applications for, and obtaining, such Regulatory Approvals. ZAI shall use reasonable efforts to prevent access to such CMC documentation by any person or entity other than employees of ZAI and Regulatory Authorities in the Partner Territory.

Notwithstanding the foregoing, if at any time during the Term of this Agreement ZAI identifies particular documents, data or information that are within the BMS Know-How, but were not previously delivered to ZAI, and that are reasonably necessary for the continued manufacture, Development or Commercialization of the Licensed Compound or Licensed Product (including without limitation materials requested in connection with an audit or other inquiry by a Regulatory Authority), BMS shall promptly provide such material to ZAI upon request to the extent that such items are in BMS' possession and are reasonably available without undue searching.

4.2 Materials. As soon as practicable after the Effective Date, BMS shall provide to ZAI, in a manner to be agreed by the Parties, the quantities of Licensed Compound and other materials encompassed in the BMS Know-How. Such Licensed Compound and materials shall be provided [*]; provided that [*] such Licensed Compound and materials. In connection with the supply of such Licensed Compound and materials, BMS shall also provide ZAI with relevant batch records, certificate of analysis and certificate of compliance. All materials provided by BMS hereunder shall not be used by ZAI for any purpose other than Development or Commercialization of the Licensed Compound and Licensed Product(s) in the Partner Territory in accordance with this Agreement. ZAI acknowledges that suitability of Licensed Compound (and related materials) for GMP use will be established only upon completion of the re-testing of these materials for such purposes. The requalification of these materials will be done on batch-by-batch basis, as necessary. BMS may elect, but shall have no obligation, to provide additional materials in its possession which may be useful, but not necessary, for the Development or Commercialization of Licensed Product(s), and any such materials shall be treated in accordance with this Section 4.2.

4.3 Technical Assistance. For a period of six (6) months subsequent to the Effective Date, BMS shall provide ZAI or its Permitted Contractor(s) with reasonable access to BMS personnel (but not BMS manufacturing facilities) reasonably knowledgeable in the research and Development of the Licensed Compound for consulting advice with respect to the Licensed Compound, *provided* that (i) such access shall be requested and coordinated through the Alliance Managers, (ii) such access shall not be used, and is not intended, to supplement or replace ZAI's Development or Regulatory Activity responsibilities pursuant to Article 5 hereof, (iii) any costs of such support shall be borne by ZAI, and (iv) BMS makes no warranty, express or implied, that ZAI shall be able to successfully implement and use the BMS Know-How.

5. DEVELOPMENT

5.1 Development of Licensed Product(s). ZAI shall use Commercially Reasonable Efforts to Develop the Licensed Product(s) to obtain Regulatory Approval in the Partner Territory, including but not limited to, using Commercially Reasonable Efforts to carry out Development (including Regulatory Activities as set forth in Section 5.4) of the Licensed Product(s) in accordance with the Partner Development Plan. ZAI shall have sole responsibility for resourcing and funding, and shall bear one hundred percent (100%) of the Development and Regulatory Costs with respect to the Development of the Licensed Product(s) for the Partner Territory. For clarity, ZAI shall have the right to conduct Development activities of the Licensed Product throughout the Development Territory for the purpose of obtaining Regulatory Approval of the Licensed Product in the Partner Territory, and ZAI shall bear the cost of such Development activities.

5.2 Conduct. ZAI shall conduct all of its Development activities (including any Required Post-Approval Study) in accordance with the Partner Development Plan and shall conduct any Phase IV Clinical Trial and other post-approval study plans in accordance with the China Commercialization Plan, and (in each case) in compliance with Applicable Law, including GCP, to

achieve its objectives consistent with the use of Commercially Reasonable Efforts. ZAI shall establish, and share with the JDC, internal procedures (including, without limitation, internal firewalls) to reasonably ensure such compliance and [*] and [*] with respect thereto. At BMS' request, ZAI shall provide BMS with its internal procedures to [*] and to allow BMS to tour or audit ZAI's (or any of its Permitted Contractor's) research facility as needed to understand how such procedures are implemented; provided that (i) such tour or audit shall be conducted at BMS' cost, at a frequency of no more than [*], and upon reasonable advance notice at mutually agreed upon times during normal business hours and (ii) any information obtained by BMS during such tour shall be ZAI's Confidential Information and each BMS personnel visiting ZAI's facilities shall be bound by reasonable and customary confidentiality obligations in writing.

5.3 Partner Development Plan. The Development of the Licensed Product(s) shall be conducted by ZAI pursuant to a Development plan that will include a description of the activities to be performed in support of the Development of the Licensed Product(s) in the Partner Territory, projected timelines for completion of such activities and Stopping Criteria with respect to the Development of the Licensed Product(s) in the Partner Territory (the "**Partner Development Plan**"). The initial Partner Development Plan agreed to by the Parties is attached hereto as Appendix 1. Any material changes to the Partner Development Plan shall be drafted by ZAI and shared with BMS, including the addition of any clinical trial protocols or any changes thereto, and [*]. In the event of any proposed change to the Partner Development Plan as a result of any interaction with any Regulatory Authority, the JDC shall meet as promptly as practicable to review and discuss any such proposed changes and determine an appropriate revision (if any) to the Partner Development Plan.

5.4 Regulatory Activities. ZAI will apply for (and maintain) Regulatory Approval of Licensed Products. ZAI will have the lead role with respect to preparation of all Regulatory Materials and all communications and interactions with Regulatory Authorities, both prior to and subsequent to Regulatory Approval. BMS will have a participatory consulting role in all material Regulatory Activities, including development of regulatory strategy, and review of filings and meetings. ZAI will file all required regulatory dossiers to obtain (and maintain) Regulatory Approvals, and will be the holder of such Regulatory Approvals.

5.5 Regulatory Materials and Meetings. ZAI shall promptly provide BMS with an electronic copy of all Regulatory Materials and correspondence with Regulatory Authorities by ZAI with respect to the Development of the Licensed Product(s), including an accompanying good-faith English language translation to the extent practicable. During the time period that ZAI is conducting the Partner Development Plan, to the extent legally permissible and practicable, ZAI shall provide BMS prior notice with respect to all meetings, conferences and discussions with Regulatory Authorities (including advisory committee meetings and any other meeting of experts convened by a Regulatory Authority concerning any topic relevant to the Licensed Product(s)), *provided however*, ZAI is not obligated to provide BMS prior notice for meetings, conferences or discussions with Regulatory Authorities that are informal or not previously scheduled. ZAI shall provide such notice within five (5) Business Days after ZAI receives notice of the scheduling of such meeting, conference, or discussion (or within such shorter period as may be necessary in order to give BMS a reasonable opportunity to participate in such meetings, conferences and discussions). BMS will be

entitled to be present at, and to participate in, all such meetings, conferences or discussions with Regulatory Authorities to the extent permitted under Applicable Laws, *provided*, *however*, in the event that, in ZAI's reasonable judgment, BMS' attendance of any meeting, conference or discussion with any Regulatory Authority in the Partner Territory will negatively affect the outcome of such meeting, conference or discussion, BMS shall defer to ZAI's reasonable judgment.

5.6 Records, Payments and Reporting.

(a) Records. ZAI shall maintain complete and accurate records of all work conducted by or on behalf of ZAI in furtherance of the Development of Licensed Product(s) and all material results, Data and developments made in conducting such activities. Such records shall be maintained in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and in accordance with Applicable Law. If BMS believes in good faith that ZAI may not be complying with its obligations under this Section 5.6, BMS shall provide written notice thereof to ZAI identifying the basis for BMS' good faith belief, and ZAI shall allow an internal BMS audit team or an independent Third Party selected by BMS and reasonably acceptable to ZAI to review such records on behalf of BMS to verify that ZAI is complying with this Section 5.6, *provided* that any information obtained by BMS during such review shall be deemed Confidential Information of ZAI and further provided that any such independent Third Party shall be bound by reasonable and customary confidentiality obligations in writing. Such review shall be conducted at a frequency no more than [*], at BMS' cost, and upon reasonable advance notice at mutually agreed upon times during normal ZAI business hours.

(b) Periodic Reporting. ZAI will provide to BMS, [*] per Calendar Year (such dates to be determined by the JDC), a report, in English, describing in reasonable detail ZAI's activities and progress related to the Development of the Licensed Product(s) pursuant to the Partner Development Plan. The form of this report will be discussed and agreed to by BMS and ZAI.

(c) Regulatory Filings. ZAI shall provide electronic copies of the entire regulatory filing for the Licensed Product in the Partner Territory to BMS promptly after such regulatory filings are updated with Regulatory Authorities.

5.7 Sharing of Regulatory Data; Rights of Reference.

(a) Generally. Subject to Section 5.7(b) below, the Parties intend that the Data generated by ZAI in connection with the Development of the Licensed Product(s) by ZAI may be used by BMS in support of obtaining Regulatory Approvals for the Licensed Product(s) in the BMS Territory. Accordingly, ZAI shall perform and shall cause its Affiliates and Approved Contractors to perform Development activities (including, without limitation, the manufacture of clinical supplies) in accordance with CFDA standards, except as otherwise approved by the JDC and reflected in the written minutes of the JDC. All Data generated by or on behalf of ZAI shall be provided to BMS in Chinese or the original language in which such Data was recorded), including an accompanying good-faith English language translation to the extent practicable, *provided* that ZAI has no obligation to provide an English translation of any case report forms or other raw data or a certified English translation of any such documents. Each Party may use in support of any

Regulatory Material with a Regulatory Authority in connection with the Development of the Licensed Product(s) in its respective Territory (a) any Data generated by or on behalf of either Party in the Development of the Licensed Product(s), and (b) any filing or correspondence that either Party makes with a Regulatory Authority in a country in its respective Territory in connection with the Licensed Product(s). Each Party will have the right to cross-reference, file or incorporate by reference any Regulatory Materials (including Regulatory Approvals) in connection with exercising its rights and performing its obligations under this Agreement in its respective Territory, and the other Party shall promptly make any such filing with Regulatory Authorities as necessary to grant such right of reference upon request by the first Party.

(b) BMS' Option Use of Regulatory Data for Development in the Field and in the BMS Territory. Without limiting the foregoing Section 5.7(a), within three (3) business days after the filing for Regulatory Approval of a Licensed Product in China, ZAI will provide BMS with a full clinical package existing as of such date (the "**Data Disclosure Date**"). Within [*] of receiving the complete clinical package, BMS will make a decision on whether it will develop the Licensed Compound and/or Licensed Product in the Field and in the BMS Territory (the "**BMS Option Period**"). If BMS decides to pursue the development of the Licensed Compound and/or Licensed Product in the Field and in the BMS Territory, BMS shall make the payments set forth in Section 8.4. In the event that BMS declines to develop the Licensed Product in Taiwan or Korea subsequent to the BMS Option Period, then the Partner Territory shall be expanded to include Taiwan and Korea on the same terms and conditions hereunder.

(c) BMS Data. Promptly after the Effective Date, BMS shall provide ZAI with copies of all Data that is reasonably necessary or reasonably useful for obtaining Regulatory Approval in the Partner Territory existing as of the Effective Date and which has not been transferred to ZAI prior to the Effective Date. In the event that BMS conducts any Development of the Licensed Product(s) anywhere in the world, BMS shall provide ZAI with all Data generated by or on behalf of BMS that is reasonably necessary or reasonably useful for obtaining Regulatory Approval in the Partner Territory. Such Data will be provided to ZAI as promptly as reasonably practicable but in any case subsequent to such Data being analyzed and summarized for purposes of decision-making by BMS. ZAI shall have the right to use and reference such Data in support of any Regulatory Materials for the Licensed Product in the Partner Territory as provided by Section 5.7(a). Without limiting the foregoing, BMS will provide ZAI, with respect to the [*], [*].

5.8 Regulatory Responsibilities and Costs. ZAI shall have sole responsibility for, and shall bear one hundred percent (100%) of all Development and Regulatory Costs related to the preparation of all Regulatory Materials and related submissions with respect to the Licensed Product(s) in the Partner Territory, and for meeting the requirements of all pre-approval inspections required by any Regulatory Authorities in the Partner Territory with respect to the Licensed Product, other than inspections of BMS' facilities (if applicable), after the Effective Date and prior to the receipt of the applicable Regulatory Approval for the Licensed Product.

5.9 Subcontracting. ZAI shall have the right to select subcontractors to perform Development activities hereunder, subject to BMS' prior written approval, not to be unreasonably conditioned, withheld or delayed. Any such subcontractor that is approved by BMS in writing shall be deemed an "**Approved Contractor**" hereunder. As of the Effective Date, BMS has approved the subcontractors listed on Schedule 5.9 attached hereto. ZAI shall enter into an appropriate written agreement with any Approved Contractor such that (i) the Approved Contractor shall be bound by provisions that are consistent with all applicable provisions of this Agreement to the same extent as ZAI, (ii) BMS' rights under this Agreement are not adversely effected, (iii) any such Approved Contractor to whom ZAI discloses Confidential Information of BMS shall enter into an appropriate written agreement obligating such Approved Contractor to be bound by obligations of confidentiality and restrictions on use of such BMS Confidential Information that are no less restrictive than the obligations in this Agreement, and (iv) such Approved Contractor agrees to assign or license (with the right to grant sublicenses) to ZAI any inventions related to the Licensed Compound or Licensed Product(s) (and any Patent covering such inventions) made by such Approved Contractor in performing such services for ZAI. ZAI shall have the right to grant a limited sublicense to such Approved Contractor under the license granted by BMS to ZAI under Section 2.1(a) solely for the Approved Contractor to perform the Development activities subcontracted to such Approved Contractor. Notwithstanding the foregoing, ZAI shall at all times be responsible for the performance of such Approved Contractor with respect to the Development activities subcontracted hereunder.

5.10 Pharmacovigilance. Subject to the terms of this Agreement, as needed, within three (3) months after the Execution Date, or notification to the Pharmacovigilance Departments of the execution date, the Parties (under the guidance of their respective Pharmacovigilance Departments, or equivalent thereof) shall define and finalize the responsibilities the Parties shall employ to protect patients and promote their well-being in connection with the use of the Licensed Compound or Licensed Product. These responsibilities shall include mutually acceptable guidelines and procedures for the receipt, investigation, recordation, communication, and exchange (as between the Parties) of Adverse Event reports, pregnancy reports, and any other information concerning the safety of any Licensed Compound or Licensed Product. Such guidelines and procedures shall be in accordance with, and enable the Parties and their Affiliates to fulfill, local and international regulatory reporting obligations to government authorities. Furthermore, such agreed procedures shall be consistent with relevant International Council for Harmonization (ICH) guidelines, except where said guidelines may conflict with existing local regulatory safety reporting requirements, in which case local reporting requirements shall prevail. Until such guidelines and procedures are set forth in a written agreement between the Parties (hereafter referred to as the "**Pharmacovigilance Agreement**"), the party responsible for Pharmacovigilance prior to execution of this Agreement shall have sole Pharmacovigilance responsibility for the Licensed Compound or Licensed Product subject to all applicable regulations and guidelines. In the event that this Agreement is terminated, the Parties agree to implement the necessary procedures and practices to ensure that any outstanding pharmacovigilance reporting obligations are fulfilled. Any regulatory commitments relating to BMS' prior development activities regarding the Licensed program in the Partner Territory prior to the Effective Date will remain the responsibility of BMS, and promptly after the Effective Date, BMS shall provide ZAI with pharmacovigilance data that is set forth in the Pharmacovigilance Agreement for the Licensed Product(s) obtained prior to the Effective Date.

6. COMMERCIALIZATION

6.1 Commercialization of Licensed Product(s). Subject to Sections 6.2 and 6.3 below, ZAI shall have the sole right to and responsibility for the Commercialization of Licensed Products in the Partner Territory, including manufacturing, selling, distributing and invoicing Licensed Products and would book one hundred percent (100%) of the sales, in the Partner Territory. ZAI shall conduct its Commercialization activities with respect to the Licensed Product in accordance with Applicable Law.

6.2 BMS Election to Co-Promote; Co-Commercialization.

(a) BMS Opt-In. BMS shall have a right, in BMS's sole discretion, to co-promote any Licensed Product in the Partner Territory, as so elected by BMS and in the manner described below. ZAI shall notify BMS in writing (the **"Regulatory Filing Notice")** within [*] after the filing for Regulatory Approval of a Licensed Product in China. Within [*] following delivery by ZAI of such Regulatory Filing Notice, as well as all information reasonably necessary for BMS to make a decision with respect to the option described herein (i.e. all development and regulatory information and any commercial information developed by ZAI) (such [*] period, the **"Election Period"**), in the event BMS desires to co-promote any such Licensed Product (a **"Co-Promoted Product"**), BMS shall, prior to the expiration of the Election Period, notify ZAI thereof in writing of its election to co-promote the Co-Promoted Product (a **"Co-Promotion Notice"**). Should BMS provide such Co-Promotion Notice to ZAI with respect to a Co-Promoted Product in relation to co-promotion rights for the Partner Territory, then, unless BMS has revoked its Co-Promotion Notice in writing prior to the end of the Co-Promotion Negotiation Period (as defined below), the Parties shall co-promote such Co-Promoted Product in the Partner Territory on the terms set forth herein, and BMS will make an option exercise fee of [*]. In the event of such exercise by BMS, there shall be no further payments due by BMS to ZAI pursuant to Section 8.1 (including, for clarity, any milestone payable upon Regulatory Approval of a Licensed Product).

(b) In General.

(i) *Cost-Sharing*. With respect to each Co-Promoted Product in the Partner Territory, BMS shall bear [*] of Commercialization Costs and ZAI shall bear [*] of Commercialization Costs. All Commercialization Costs incurred by the Parties in connection with the Commercialization of each Co-Promoted Product in the Partner Territory shall be included in the calculation of Operating Profit (or Losses) for such Co-Promoted Product, and shall be allocated between the Parties on a [*] basis in accordance with Section 8.2, with specific financial flow to be agreed by the Parties.

(ii) *Plans and Budgets*. The Parties shall prepare a Long-Term Commercialization Plan (which shall be non-binding), and an Annual Commercial Plan and Budget (which shall be binding) for the Co-Promoted Product in the Partner Territory (collectively, **"China Commercialization Plan"**) taking into consideration the market conditions and the competitive landscape regarding Licensed Products in China. The China Commercialization Plan shall be approved by the Parties through the JCC and shall:

(1) include all key strategic commercial decisions (messaging, branding, marketing, advertising, sales force, medical affairs, pricing, reimbursement, etc), key tactics for implementing those strategies, the relative responsibilities of the Parties in the execution of such tactics, and a detailed and specific commercialization budget, including both pre-launch and post-launch activities,

(2) include an equitable allocation of responsibilities and budget between the Parties, including their respective Detail FTE Requirements, Company Target Lists, and budgeted FTEs and Allowable Expenses,

(3) include pricing and reimbursement strategies, and allocation of responsibility for implementation of pricing and reimbursement related activities under the strategy as approved by the JCC, unless otherwise agreed by the JCC,

(4) include plans for Phase IV Clinical Trials and other post-marketing approval studies with respect to Co-Promoted Product, and each Parties' responsibilities with respect to such studies, if desirable,

(5) include other information as mutually agreed by the Parties,

(6) be updated on an annual basis by the JCC, with [*] responsible for providing the first draft for [*] JCC consideration.

(iii) *Decision-Making*. All aspects of the China Commercialization Plan will be determined by consensus of the Parties through the JCC in accordance with (and except as set forth in) Section 3.11.

(iv) *Creation of Plans*. The initial China Commercialization Plan shall be generated by [*] as soon as practicable upon the establishment of the JCC, and in any event no later than [*] prior to the anticipated date of the First Commercial Sale of a given Co-Promoted Product in the Partner Territory for review and comment by [*]. Thereafter, [*] shall submit on an annual basis a China Commercialization Plan for such year to the JCC for review, comment and approval. Each such submission shall be no later than [*] of the Calendar Year immediately preceding the year covered by such China Commercialization Plan, with a goal of having the China Commercialization Plan reviewed and approved by [*] of such immediately preceding Calendar Year. Each updated China Commercialization Plan, once approved by the JCC, shall become effective and supersede the previous China Commercialization Plan as of the date of such approval or at such other time decided by the JCC. The JCC shall not approve a China Commercialization Plan that is inconsistent with or contradicts the terms of this Agreement without the written consent of the Parties, and in the event of any inconsistency between the China Commercialization Plan, on the one hand, and this Agreement, on the other hand, the terms of this Agreement shall prevail, unless otherwise expressly agreed by the Parties in writing.

(c) Market Access Activities. The JCC shall determine the Parties' strategy with respect to Market Access Activities as part of the China Commercialization Plan, and the Parties' responsibilities with respect to the implementation of such strategy subject to this Section 6.2(c).

(d) Diligence Regarding Commercialization. BMS and ZAI each shall use Commercially Reasonable Efforts (a) to develop and agree on the China Commercialization Plan in accordance with Section 3.11, and (b) to Commercialize and otherwise perform the Commercialization activities and Market Access Activities assigned to it in respect of the Co-Promoted Products in the Partner Territory in accordance with the then-current China Commercialization Plan. Once a China Commercialization Plan has been adopted, each Party shall independently be responsible for day-to-day implementation of the responsibilities allocated to it thereunder, including tactical and operational execution of its responsibilities and shall independently make and implement decisions and allocate resources designed to advance progress with respect to the objectives set forth in, and designed to ensure that it meets its obligations with respect to, such China Commercialization Plan; provided that such implementation is not inconsistent with the terms of this Agreement or the decision of the JCC within the scope of its authority and each Party shall keep the other Party informed as to the progress of its activities as reasonably requested by the other Party.

(e) Determination of Commercialization Costs. As part of the process of producing each China Commercialization Plan in accordance with Section 6.2(b)(ii), the Parties shall use Commercially Reasonable Efforts to determine the internal personnel and other resources and out-of-pocket costs required for the Commercialization of Co-Promoted Products in the Partner Territory for such year and for each calendar quarter within such year and establish, as part of the China Commercialization Plan, a budget for the Commercialization of the Co-Promoted Product in the Partner Territory for the applicable year. All such internal personnel and resources, with the exception of Detailing Costs, will be expressed in terms of FTEs and the budgeted cost calculated using the relevant FTE Rates.

(f) Overruns with Respect to Commercialization Costs. If the total costs incurred by a Party (the **"Over-Budget Party"**) in performing its responsibilities for a specifically identifiable activity or project (over the life of such activity or project) under a China Commercialization Plan (as amended in accordance with Section 6.2(b)) in the Partner Territory exceed those set forth in the budget allocable to such Party's responsibilities for such activity or project, then each Party shall continue to bear its share of the Allowable Expenses attributable to such activity or project in excess of such budget **("Excess Costs"**), except that, to the extent such Excess Costs exceeds [*] of the budgeted amount for such activity or project, the Party incurring such Excess Costs shall present a summary of such costs to the JCC for purposes of addressing such overrun and shall bear such Excess Costs (i.e., those Excess Costs that exceed [*] of the budgeted amount), unless the sharing of such Excess Costs is approved by mutual agreement of the JCC. The Parties shall use Commercially Reasonable Efforts, as appropriate, to mitigate any cost overrun.

(g) Sales Efforts and Sales and Medical Representative Deployment.

(i) Percentage Effort and Penalties.

a. Except as set forth in Section 6.2(g)(iv) or Section 6.2(n) or otherwise agreed by the Parties by consensus at the JCC, BMS shall provide [*] of the total Detail FTE Requirements to healthcare providers on its Company Target List in the Partner Territory in each year, and ZAI shall provide [*] of the total Detail FTE Requirements to healthcare providers on its Company Target List in the Partner Territory in each year. For clarity, the JCC shall have the ability to mutually agree by consensus upon different sales force responsibilities (or allocations) for each Party and to modify the Parties' respective Detail FTE Requirements.

b. If there is a material negative deviation in actual sales by a Party from the forecast set forth in China Commercialization Plan, and where such deviation is otherwise unexplained by then-prevailing commercial or regulatory circumstances relevant to the Co-Promoted Product in the Partner Territory (e.g. failure to achieve tendering success in a given province), then the other Party shall be entitled to audit such Party in accordance with Section 6.2(g)(ii) to determine whether such Party has met its Detail FTE Requirements.

c. If a Party believes that it (together with its Affiliates) will provide less than the aggregate number of Detail FTE Requirements to be provided by it for a year pursuant to the China Commercialization Plan, it shall promptly notify the other Party. Subject to the other terms and conditions of this Section 6.2(g) (including Sections 6.2(g)(ii), and 6.2(g)(iv)), if in any year a Party notifies the other Party that it will provide less than the aggregate number of Detail FTE Requirements required to be provided by it for such year pursuant to the terms of the applicable China Commercialization Plan, then such other Party shall be entitled (but shall not be obligated), to provide such additional Detail FTE Requirements as may be necessary to make up some or all of such shortfall.

d. In the event an audit conducted pursuant to Section 6.2(g)(i)(b) above reveals that a Party failed to satisfy its Detail FTE Requirements or a Party provides notice pursuant to subsection (c) above, such Party shall, to the extent that it fails to provide the requisite number of Detail FTE Requirements, (x) reimburse the other Party for the cost of such other Party's replacing the unprovided Detail FTE Requirements (to the extent actually replaced by or on behalf of such other Party) at the same per Detail cost (i.e., not including any costs for hiring and training new sales representatives), or (y) to the extent such Details are not replaced, adjust the Net Profit/Net Loss split, such that the shortfall Party's percentage of Net Profit for such year shall be decreased, and its share of Net Loss shall be increased, by a percentage equal to [*] of the percentage shortfall (starting at a [*] shortfall). Any amounts paid or payable pursuant to this Section 6.2(g)(i)(d) from one Party to the other Party shall not be included in Detailing Costs, Promotional Costs or Allowable Expenses.

e. For any year subsequent to a year in which a shortfall described in clauses (d) or (e) above exists, a Party's Detail FTE Requirements for such subsequent year shall be reset in accordance with the China Commercialization Plan for such subsequent year. For clarity, the intent of this Section 6.2(g)(i)(e) is that any adjustment made for a Party's shortfall pursuant to Section 6.2(g)(i)(d) shall be for the calendar year in which such adjustment is made, but shall not be carried over to the subsequent year's China Commercialization Plan unless the Parties otherwise mutually agree.

f. Subject to clause (g) below, and without limiting a Party's rights under Article 13, the Parties agree that this Section 6.2(g)(i) is a Party's sole and exclusive monetary remedy, and represents full and complete liquidated damages for, the other Party's failure to achieve its Detail FTE Requirements in a year.

g. Without limiting a Party's rights under Article 13, in the event that a Party has a shortfall in excess of [*] in fulfilling the Detail FTE Requirements allocated to such Party in the China Commercialization Plan for such years, then the other Party shall have the right to reduce the Detail FTE Requirements allocated to the first Party in the China Commercialization Plan in the subsequent calendar year(s) [*] by giving written notice to the other Party to such effect.

(ii) Allocation of Effort. Each China Commercialization Plan shall set forth a target provider list for each Party (each a "**Company Target List**") for such year as agreed by the JCC by consensus. At least [*] of each Party's Detail FTE Requirement for the applicable year shall be delivered to prescribers included on such Party's Company Target List. Details by a Party's Sales and Medical Representatives to prescribers who are not included on the Party's Company Target List in excess of [*] of such Party's Detail FTE Requirement for such year would not count towards such Party's Details for purposes of Section 6.2(g)(i)

(iii) Recording**.**

(1) [*] shall provide to [*] [*] detailed sales reports setting forth the sales of the Co-Promoted Product in the Partner Territory for the previous [*] within [*] days of the end of each [*] during the Term. The general managers of each Party (or their directly reporting designees) in the Partner Territory shall have a telephone call each [*] to discuss such [*] report and review each Party's performance.

(2) Each Party shall record the number of Detail FTE Requirements allocable to its Sales and Medical Representatives in the aggregate during each calendar month for the Co-Promoted Product in the Partner Territory, and promotional resources used, in each case in accordance with its normal practices in the Partner Territory. Such records shall be maintained for at least [*] years.

(3) Within [*] after the end of each [*], each Party shall report to the JCC the information set forth in clause (2) above with respect to such [*] in accordance with such instructions and procedures as may be specified by the JCC from time to time. Unless otherwise specified by the JCC, such reporting shall be consistent with applicable internal self-reporting procedures customarily employed by such Party for other similarly detailed and similarly reported pharmaceutical products to the target physician audience, consistently applied, and shall be supplemented by appropriate external reporting (e.g., IMS data) in such Party's possession or control. Any other reports required by the JCC relating to a Party's sales activities under this

Agreement shall apply to both Parties equally and shall be provided within [*] (or within such other period as may be required by the JCC after the end of the applicable reporting period). At the request (and expense) of either Party, the other Party shall permit an independent Third Party auditor appointed by such Party and reasonably acceptable to the other Party, at reasonable times and upon reasonable prior notice, to have access to the other Party's internal sales call reporting system for the purpose of verifying such other Party's determination of its satisfaction of its Detail FTE Requirements based on the Sales and Medical Representatives actually provided for the Co-Promoted Product for the Partner Territory by such Party, and the accuracy of any promotion data reports for the [*] period prior to the date of such audit, in order to confirm the accuracy of such reports; provided, that such audit right may not be exercised (1) unless there is a shortfall of sales by a Party and (2) no more than [*]; unless, the auditing Party has discovered a material error, in which case it shall be entitled to conduct such audits every [*] thereafter until the audited Party has taken reasonable steps designed to cure the problem relating to the inaccurate reporting. Any dispute between the Parties as to whether the Detail FTE Requirements have been met by a Party shall be finally resolved by arbitration in accordance with Section 14.2. The cost of any such independent Third Party auditor shall be [*]. In the event that the independent Third Party auditor determines a shortfall of a Party's Detail FTE Requirements, then Section 6.2(g)(i) shall apply for such audited period for the shortfall amount determined by the independent Third Party auditor.

(iv) Quarterly Allocation. Each China Commercialization Plan shall set forth how each Party's annual Detail FTE Requirements shall be allocated on a quarterly basis (the **"Quarterly Detail Amount"**) and, in the event a Party delivers in excess of [*] of such Party's budgeted Quarterly Detail Amount for a particular quarter, then the number of such Party's Detail FTE Requirements in excess of such [*] threshold shall be excluded from the calculation in determining if a Party's obligations have been met with respect to such Party's Detail FTE Requirements for such year under this Agreement, including the obligations set forth in Sections 6.2(g)(i), 6.2(g)(ii), 6.2(g)(iii) and this Section 6.2(g)(iv). Subject to its annual commitments, each Party shall provide not less than [*] of its quarterly aggregate budgeted Detail FTE Requirements in any given quarter, provided that in no event shall a Party provide less than [*] of its aggregate Detail FTE Requirements included in the China Commercialization Plan for such Party in a given year except pursuant to the rest of this subsection 6.2(g)(i).

(v) No More than [*] Products. A Party's Sales and Medical Representatives that are Promoting a Co-Promoted Product shall not conduct promotional activities for more than [*] other than such Co-Promoted Product.

(vi) Costs of Sales and Medical Representatives. The costs of each Party's Sales and Medical Representatives for the Partner Territory that are actually incurred and attributable to a Co-Promoted Product shall be taken into account for the determination of Commercialization Costs and Allowable Expenses in respect of such Co-Promoted Product for a period of up to [*] prior to the anticipated date of First Commercial Sale of such Co-Promoted Product.

(h) Sales and Medical Representatives. The following provisions shall apply to each Party's Sales and Medical Representatives in the Partner Territory:

(i) Except as otherwise provided in this Section 6.2(h), Section 6.2(g)(i)a, Section 6.2(g)(i)d or Section 6.2(n), each Party's Sales and Medical Representatives shall be full time employees of such Party or its Affiliates. Each Party will treat its Sales and Medical Representatives employed by it and its Affiliates as its (or its Affiliate's) own employees for all purposes, including country, provincial and local tax and employment laws.

(ii) Other than the use of a CSO that is approved by the JCC by consensus in order to expand the reach (to geographies, tiered cities or other) of targeted hospitals or prescribers of a Co-Promoted Product, either Party's use of a CSO or similar body to provide Details shall be subject to the mutual agreement of the Parties.

(iii) Each Party will use Commercially Reasonable Efforts to provide full training (both general and Co-Promoted Product-specific training) to its Sales and Medical Representatives consistent with Section 6.2(h), to deploy such number of Sales and Medical Representatives as may be necessary to fulfill its duties under each China Commercialization Plan as required thereunder and, consistent with its normal business practices, to minimize turnover of its Sales and Medical Representatives Detailing Co-Promoted Products and to cause its Sales and Medical Representatives to adhere to the sales call plan included in the China Commercialization Plan. The JCC shall establish reasonable qualifications and experience levels (measured in years of education as well as experience selling or promoting ethical pharmaceutical Co-Promoted Products to health care professionals with actual prescribing authority) for Sales and Medical Representatives, taking into account the Parties' existing personnel, and the Parties shall use Commercially Reasonable Efforts to provide Sales and Medical Representatives that meet such qualifications and experience levels. Unless the JCC establishes a different time (and in any event such timelines shall apply equally to both Parties), within [*] after the end of each year, each of the Parties shall provide the other Party with a report with respect to the number of its Sales and Marketing Representatives assigned to the promotion of the Co-Promoted Products and the length of time each such Sales and Medical Representatives has been assigned to the promotion of the Co-Promoted Products. Such report may be consolidated with the report provided pursuant to Section 6.2(g)(i)(3) for the fourth quarter of each year.

(iv) Each Party will comply with all Applicable Law with respect to the hiring, employment, and discharge of its Sales and Medical Representatives and its employees involved in the activities contemplated by this Agreement. Each Party represents to the other that such Party is an equal opportunity employer and does not discriminate against any person because of race, color, creed, age, sex, or national origin.

(v) Each Party shall cause its Sales and Medical Representatives to execute, if not previously executed, an agreement with such Party, that includes, among other terms, terms requiring that the individual:

a. agrees to perform his or her obligations as a Sales and Medical Representative as required by Applicable Law and this Agreement; and

b. agrees to perform his or her duties as a Sales and Medical Representative in accordance with such Party's internal policies, a copy of which is provided or made available by such Party to all its Sales and Medical Representatives.

(vi) Each Party acknowledges and agrees that the other Party does not and will not maintain or procure any worker's compensation insurance for or on behalf of such Party or its Sales and Medical Representatives, all of which shall be such Party's sole responsibility to the extent required by Applicable Laws.

(vii) Each Party acknowledges and agrees that all of its Sales and Medical Representatives are not, and are not intended to be or be treated as, employees of the other Party or any of its Affiliates, and that such individuals are not, and are not intended to be, eligible to participate in any benefits programs that are sponsored by the other Party or any of its Affiliates or that are offered from time to time by the other Party or its Affiliates to their own employees (the **"Benefit Plans"**). All matters of compensation, benefits and other terms of employment for a Party's personnel shall be a matter solely between such Party and its Sales and Medical Representatives. Each Party shall be solely responsible and liable for the payment of all compensation and benefits under any such Benefit Plan to its Sales and Medical Representatives. A Party shall not be responsible to the other Party (the **"Hiring Party"**) or to any Sales and Medical Representatives used by the Hiring Party to promote or sell the Co-Promoted Products for any compensation, expense reimbursements or benefits (including vacation and holiday remuneration, healthcare coverage or insurance, life insurance, pension or profit-sharing benefits and disability benefits), payroll related taxes or withholdings, or any governmental charges or benefits (including unemployment and disability insurance contributions or benefits and workmen's compensation contributions or benefits) that may be imposed upon or be related to the performance by the Hiring Party and its Sales and Medical Representatives of its obligations under this Agreement, all of which shall be the sole responsibility of the Hiring Party, even if it is subsequently determined by any court, or any other governmental authority that such individual may be deemed a common law employee of the non Hiring Party or any of its Affiliates.

(viii) Each Party shall be responsible to the other Party for any failure of its Sales and Medical Representatives or employees to comply with the terms of this Agreement.

(ix) Each Hiring Party will reimburse the non hiring Party (the **"NHP"**) the following expenses to the extent required to be made by the NHP:

a. costs, damages and losses that the NHP or its Affiliates may incur resulting from any third party claims for benefits that any of the Hiring Party's Sales and Medical Representatives may make under or with respect to any NHP Benefit Plan;

b. any required payment or obligation to make a payment to any Hiring Party Sales and Medical Representatives relating in any way to any compensation, benefits of any type under any Benefit Plan, and any other bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other similar

fringe or employee benefit plans, programs or arrangements that may be sponsored at any time by either Party or any of its Affiliates, even if it is subsequently determined by any court, the IRS or any other governmental authority that any of the Hiring Party's Sales and Medical Representatives may be deemed a common law employee of the NHP or any of its Affiliates;

c. the required payment or withholding of any contributions, payroll taxes, or any other payroll related item by or on behalf of the Hiring Party or any of its Sales and Medical Representatives with respect to which the Hiring Party or any of its Sales and Medical Representatives may be responsible hereunder or pursuant to Applicable Law to pay, make, collect, withhold or contribute, even if it is subsequently determined by any court, the IRS or by any other governmental authority that any of such Hiring Party's Sales and Medical Representatives may be deemed a common law employee of the NHP or any of its Affiliates; and

d. any payment required to be made by NHP to the extent caused by the failure of the Hiring Party to withhold or pay required taxes or failure to file required forms with Governmental Authorities with regard to compensation and benefits incurred or extended by a Hiring Party to its Sales and Medical Representatives.

(x) Notwithstanding anything to the contrary in this Section 6.2(h), a Hiring Party shall have no liability to any NHP Indemnitee to the extent attributable to any discriminatory, harassing or retaliatory acts of the NHP, or any tortious acts (including acts constituting assault, battery or defamation) by the NHP, with respect to any Sales and Medical Representatives of the Hiring Party, or any breach by the NHP of this Agreement. Nothing contained in this Section 6.2(h) is intended to affect or limit any compensation payable by a Party to the other for the services rendered by a Party pursuant to this Agreement.

(xi) Each Party shall be solely responsible and liable for all probationary and termination actions taken by it with respect to its Sales and Medical Representatives, as well as for the formulation, content, and for the dissemination (including content) of all employment policies and rules (including written probationary and termination policies) applicable to its Sales and Medical Representatives.

(i) Incentive Plans for Sales and Medical Representatives. Each Party shall establish and implement a target bonus or sales incentive program whereunder such Party's Sales and Medical Representatives are compensated for their efforts with respect to Co-Promoted Products in a manner consistent with such Party's other programs for similar Co-Promoted Products and, to the extent reasonably practicable and subject to the remainder of this Section 6.2(i), consistent with the sales incentive programs for the other Party's Sales and Medical Representatives. If any Sales and Medical Representatives promote any other products in addition to the Co-Promoted Products, a Party's target bonus or sales incentive program shall be balanced and support the agreed upon efforts by Sales and Medical Representatives for promoting the Co-Promoted Products in addition to any other products such Sales and Medical Representatives are promoting; provided that such program shall be consistent with such Party's Detail FTE Requirements. All such programs shall be in compliance with all Applicable Law. No more than [*], either Party shall have the right to have a Third Party consultant review the bonus and sales incentive programs implemented by the

other Party for its Sales and Medical Representatives for compliance with the foregoing and to make recommendations to improve the alignment of such programs (with the foregoing and ensure that each Party's Sales and Medical Representatives are appropriately incentivized); *provided*, that such consultant does not disclose to such Party the types or levels of bonuses or sales incentives applicable to the other Party's Sales and Medical Representatives; and at the request of such Party the JCC will discuss the issue at its next meeting and shall resolve any such issues, provided that [*]. Subject to the foregoing, each Party shall retain final decision making authority over all decisions relating to compensation and bonus incentives for its Sales and Medical Representatives. The JCC shall agree by consensus upon a method (or data provider) to determine the actual performance of each Party's Sales and Medical Representatives for purposes of establishing compensation and bonuses.

(j) Sales Training.

(i) [*], with input from [*] through the JCC, will determine the content of the Co-Promoted Product-specific training materials, and shall develop a sales training plan and sales training materials for the Co-Promoted Product for applicable indications. Each Party may implement such sales training for its Sales and Medical Representatives in respect of the Co-Promoted Product in a manner consistent with its customary procedures. [*] shall be responsible for developing all training relating specifically to the Co-Promoted Product. At or prior to the initial training session for Sales and Medical Representatives, [*] will provide [*] reasonable quantities of training materials to enable the training of [*] Sales and Medical Representatives. The JCC shall review the Co-Promoted Product related training materials from time to time and make recommendations for any revisions and updates thereto as it may deem appropriate, with the goal of ensuring that each Party is providing substantially the same quality and level of Co-Promoted Product-specific training to its Sales and Medical Representatives. The JCC shall be responsible for ensuring that the Parties' medical, regulatory and legal teams have reviewed such materials prior to use by either Party.

(ii) The Parties shall coordinate with respect to providing Co-Promoted Product-specific training to Sales and Medical Representatives. The Parties will schedule their training for their respective Sales and Medical Representatives in sufficient time to ensure that the necessary Sales and Medical Representatives are fully trained. The Parties shall coordinate through the JCC with respect to any Co-Promoted Product-specific training that either Party plans to provide to its Sales and Medical Representatives, so that the Sales and Medical Representatives of the other Party may participate in such training. [*] shall provide initial Co-Promoted Product-specific and disease area training programs for the Co-Promoted Product to Sales and Medical Representatives of [*]. Each Party shall provide training to Sales and Medical Representatives of such Party for general skills and compliance. Such Sales and Medical Representative training provided by either Party shall be consistent with the China Commercialization Plan, and with the Co-Promoted Product-specific training materials and program developed as further described in Section 6.2(j). Such training also shall include training on the proper handling and reporting of adverse events encountered for the Co-Promoted Product, on timely reporting to [*] of inquiries for additional information relating to the Co-Promoted Product and on promotional compliance.

(iii) Each of BMS and ZAI shall comply with any training plan for a Co-Promoted Product contained in the applicable China Commercialization Plan.

(iv) If a Party organizes Promotion related meetings of its employees (such as periodic briefings of its Sales and Medical Representatives) for the Co-Promoted Products, it will make reasonable efforts to keep the Co-Promoted Product related portions of such meetings independent from other matters and to give the other Party advance written notice of such meetings. If requested by the other Party and agreed to by the organizing Party, the Party organizing such meeting will permit a reasonable number Sales and Medical Representatives and their direct supervisors of the other Party to attend and participate in such meetings or such portions thereof that relate to the Promotion of the Co-Promoted Product (at such other Party's sole expense).

(v) The costs and expense for Co-Promoted Product-specific sales training of each Party's Sales and Medical Representatives for the Partner Territory (but not general sales training) shall be included in Allowable Expenses.

(k) Advertising and Promotional Materials and Promotional Policies.

(i) The Parties, through the JCC, shall allocate responsibility for promotional activities (other than Detailing and Market Access Activities), advertising, market research and medical education activities in accordance with the China Commercialization Plan. It is the Parties' intent that duplication of such efforts be avoided and that such activities are carried out in the most efficient manner but consideration shall be given to [*].

(ii) The Parties shall utilize only those Partner Territory-wide promotional, advertising, communication and educational tools and materials relating to a Co-Promoted Product in the Partner Territory, and shall conduct only those Promotional activities for such Co-Promoted Product, that, in each case, have been included in the approved China Commercialization Plan for such Co-Promoted Product or are otherwise approved by the JCC. Such materials and activities shall seek, to the extent possible, to align with BMS' global strategy and messaging for the commercialization of the Co-Promoted Product. The JCC shall oversee development of all core advertising and promotional tools and materials relating to the Co-Promoted Products in the Partner Territory which shall be consistent with the applicable China Commercialization Plan, with Applicable Law, and with the Co-Promoted Product labeling approved by Regulatory Authorities in the Partner Territory as applicable. The JCC shall be responsible for ensuring that the Parties' medical, regulatory and legal teams have reviewed such materials prior to the use by either Party; *provided*, that the content of such tools and materials, once approved by the JCC, need not be re submitted for approval again unless the Co-Promoted Product labeling applicable to such tools and materials has been changed since such prior approval date or there has been a change in circumstances since the prior approval date that causes the tools or materials to be inaccurate or misleading.

(iii) Both Parties will be identified and described as co-promoting the Co-Promoted Products in the Partner Territory, and all materials and other Promotion activities, including the primary and secondary packaging of the Co-Promoted Product, including the label, package insert and exterior carton, oral presentations, patient information materials and patient benefit programs, that identify a Party, shall identify both Parties (or their respective Affiliates) as jointly promoting the Co-Promoted Product and shall display the BMS and ZAI names and logos with equal prominence, in each case to the extent permitted by Applicable Law. In the event of a shortfall in the quantity of materials, the available materials shall be allocated between the Parties' respective sales forces in proportion to the number of Details to be provided by each Party with respect to such Co-Promoted Product.

(iv) If BMS is developing or commercializing the Licensed Product in the Partner Territory and outside the Field, in the event that ZAI receives any inquiries relating to the use of pharmaceutical products containing Licensed Compound outside of the Field, it shall refer such inquiries to BMS. In the event that BMS receives any inquiries relating to the use of pharmaceutical products containing Licensed Compound in the Field in the Territory, it shall refer such inquiries to Zai.

(l) Title to Co-Promoted Product; Invoicing. ZAI shall hold title to Co-Promoted Product inventories until sale to customers and shall effect all sales of Co-Promoted Product and shall be responsible for invoicing all sales of such Co-Promoted Products and shall book all sales of such Co-Promoted Products for its own account. BMS may not accept orders for Co-Promoted Products or make sales for its own account or for the account of ZAI. If BMS receives any orders for Co-Promoted Products, it shall refer such orders to ZAI for acceptance or rejection.

(m) Sales and Distribution. ZAI shall be responsible for warehousing and distributing such Co-Promoted Product in the Partner Territory and shall perform related Distribution activities. ZAI shall also be solely responsible for handling all returns, recalls (in accordance with Section 6.2(o)), order processing, invoicing and collection, distribution and inventory and receivables with respect to the Co-Promoted Product. Subject to each China Commercialization Plan approved by the JCC and the terms of this Agreement, ZAI shall have the right to establish and modify the terms and conditions with respect to the sale of such Co-Promoted Product in the Partner Territory, including (a) trade discounts available to purchasers, (b) any discount attributable to payments on receivables, and (c) credits, price adjustments, or other discounts and allowances to be granted or refused; provided that any such credits, price adjustments, or other discounts shall be consistent with ZAI' normal practices in the Partner Territory.

(n) Co-Promoted Product Claims**.** Neither BMS nor ZAI (nor any of their respective Affiliates) shall make any medical or promotional claim for any Co-Promoted Product that is inconsistent with the relevant Regulatory Approvals then in effect for the Co-Promoted Product; *provided*, that both BMS and ZAI may, subject to Section 11.6, distribute any other information concerning a Co-Promoted Product or its use, including scientific articles, reference publications and healthcare economic information, in accordance with Applicable Law and the approved China Commercialization Plan and subject to the oversight of the JCC.

(o) Recalls and Withdrawals. Any decision to initiate a recall or withdrawal of a Licensed Compound or Co-Promoted Product in the Partner Territory (whether during Development or during Commercialization) shall be made by ZAI, after consultation (to the extent practicable) with BMS; *provided*, that if, as a result of patient safety concerns, there is not sufficient time for the Parties to meet, ZAI shall determine the strategy for and implement such withdrawal or recall and shall notify and brief BMS with respect to such strategy and implementation. ZAI shall have final decision-making authority with respect to any such recall or withdrawal without regard or recourse to the dispute resolution mechanism provided for in Article 14; provided that BMS shall have final-decision making ability with respect to any recall or withdrawal due to Safety Reasons. The costs of any recall or withdrawal shall be an Allowable Expense (if applicable), except to the extent that the recall or withdrawal is attributable to the negligence, willful misconduct or breach of this Agreement by a Party in which event (i) such Party shall bear such costs for which it is responsible and (ii) such costs shall not be included in Allowable Expenses, as the case may be. In the event of any recall or withdrawal, ZAI shall implement any necessary action, with assistance from BMS as reasonably requested by ZAI. In the event that BMS requests in writing that ZAI conduct a recall of a Co-Promoted Product in the Partner Territory due to Safety Reasons and ZAI has not initiated the recall or withdrawal of such Co-Promoted Product within three (3) Business Days after such written request (such date, "**Recall Deadline**"), ZAI shall indemnify BMS for all Losses arising from ZAI's failure to timely initiate such recall or withdrawal in accordance with the procedures set forth in Section 12.3.

(p) All written, electronic and visual communications provided by a Party to its Sales and Medical Representatives Detailing the Co-Promoted Products regarding Co-Promoted Product strategy, positioning or selling messages for use by such personnel in Detailing the Co-Promoted Products will be subject to prior review and approval by the JCC; *provided*, that a message, once approved, need not be resubmitted for approval again prior to its reuse unless the Co-Promoted Product labeling applicable to such message has been changed since such prior approval date or there has been a change in circumstances since the prior approval date that causes the message to be inaccurate or misleading.

(q) Each Party shall share with the other Party primary and secondary (audited and non audited) market research data for the Co-Promoted Products reasonably promptly if and after the same are made available to such Party and so long as such Party has the lawful right to provide same; *provided*, that the other Party shall hold such information as Confidential Information of the providing Party, and shall have executed such confidentiality agreement as may be requested by any Third Party provider of such information with respect to such disclosure of such information.

6.3 ZAI Opt-Out. At any time (I) [*] or (II) [*], ZAI shall have the right to opt-out of Commercialization of Licensed Products in the Partner Territory (the "**ZAI Commercialization Opt Out**") upon written notice to BMS. The ZAI Commercialization Opt Out shall become effective [*] after receipt of such notice by BMS (the "**ZAI Commercialization Opt Out Date**"). Commencing on the ZAI Commercialization Opt Out Date, (A) ZAI shall have no further right or obligation to participate in the Commercialization of the Licensed Products in the Partner Territory or to share in any Operating Profits (or any obligation to share Operating Losses) with respect thereto, (B) ZAI shall have no further responsibility for conducting or funding Commercialization activities with respect to the Licensed Products in the Partner Territory, (C) the JCC shall be dissolved, and (D) BMS shall conduct all further Commercialization of Licensed Products in the Partner Territory in its sole discretion. In such event, BMS shall pay ZAI a royalty on Net Sales of Licensed Product in the Partner Territory as set forth in Section 8.3.

6.4 Compliance.

(a) In the event that information comes to a Party's attention that provides it a reasonable basis for such Party to believe that Sales and Medical Representatives or other personnel of the other Party used in the Partner Territory under this Agreement may have (i) violated any Applicable Law, or (ii) failed to comply with this Agreement, such Party shall have the right to request that the other Party immediately assess the performance of such individual, and to exercise any other rights or remedies available to such Party under this Agreement, at law or in equity. The other Party shall promptly use Commercially Reasonable Efforts to evaluate and resolve such issue in accordance with its policies or as it may otherwise deem appropriate, shall (to the extent permitted by Applicable Law) keep the reporting Party informed of the progress of, and information learned during, its evaluation, and within fifteen (15) Business Days after the reporting Party first brought such information to the other Party's attention shall provide the reporting Party, to the extent possible in compliance with Applicable Law, with a reasonably detailed written report summarizing any steps taken toward resolution of the matter.

(b) Each Party agrees that:

(i) it will instruct its Sales and Medical Representatives to use, and will use Commercially Reasonable Efforts to train and monitor its Sales and Medical Representatives to ensure that such Sales and Medical Representatives use only promotional materials and literature that have been approved for use, by individuals having sufficient knowledge, experience and competence from both a medical perspective and a regulatory perspective, for the Commercialization of the Licensed Products in the Partner Territory;

(ii) subsequent to review as described in clause (i) above, any promotional material or promotional literature used by it shall not be misbranded, changed, altered or adulterated by it or any of its Affiliates or agents in any way prior to their distribution or use by such Party or its Sales and Medical Representatives; and

(iii) it will instruct its Sales and Medical Representatives to do, and will use Commercially Reasonable Efforts to train its Sales and Medical Representatives to do, and will establish appropriate internal systems, policies and procedures for the monitoring of its Sales and Medical Representatives with the goal of ensuring that such personnel do, and will certify to the other Party on an annual basis on or before January 31 of each calendar year in the form agreed to by the Compliance Committee that it discloses in all material respects, the following:

(1) limit claims of efficacy and safety for the Licensed Products to those that are (A) consistent with approved promotional claims in, and not add, delete or modify claims of efficacy and safety in the promotion of the Licensed Products in any respect from those claims of efficacy and safety that are contained in, the then effective China Commercialization Plan, (B) consistent with Applicable Law, and (C) consistent with the Licensed Product labeling approved by the applicable Regulatory Authorities;

(2) use Promotional materials and literature within the Partner Territory only in a manner that is consistent with (i) the then effective China Commercialization Plan (if applicable), (ii) Applicable Law and (iii) the Licensed Product labeling approved by the applicable Regulatory Authorities;

(3) Promote the Licensed Products in compliance with applicable legal and professional standards that are generally accepted by the pharmaceutical industry in the applicable market, the U.S. Foreign Corrupt Practices Act (and foreign equivalents), and, to the extent not inconsistent with the foregoing, such Party's policies communicated in writing to its Sales and Medical Representatives; and

(4) not to, directly or indirectly, pay, promise to pay, or authorize the payment of any money, or give, promise to give, or authorize the giving of anything of value to any official or employee of any government, or of any agency or instrumentality of any government, or to any political party, or official thereof, or to any candidate for political office (including any party, official, or candidate) for the purpose of promoting the sale or improper use of a Licensed Product.

(c) No later than one (1) year prior to the anticipated date of First Commercial Sale of a Licensed Product, the Parties shall establish a compliance working group (the **"Compliance Committee"**) made up of two representatives from each Party (i.e. one legal/compliance representative and one commercial representative). The Compliance Committee shall meet semi-annually to discuss each Party's compliance with this Section 6.4, as well as each Party's existing policies and procedures to ensure such compliance, and shall report to the JCC (or the JDC with respect to a Licensed Product that is not a Co-Promoted Product). In addition, should either Party become aware of any allegation of or actual breach of this Section 6.4, it shall promptly inform all members of the Compliance Committee of: (a) the nature and scope of the allegation and/or breach, and (b) any remedial and/or other action taken in response to the allegation and/or breach. For any allegation or breach that is isolated and/or immaterial, the provision of such information shall be the sole remedy available to the non-disclosing Party.

(d) In the first instance in which a Party identifies a systemic breach of this Section 6.4, the remedy available to the non-breaching Party shall include: (a) with respect to a Licensed Product, the non-breaching Party shall have the right to [*] until such breach is cured if such breach is curable (for which [*] shall apply), (b) the non-breaching Party shall have the right to [*] resulting from such breach, including any [*], and (c) the non-breaching Party shall have the right to [*], and [*]. In the event that any Party engages in a second systemic breach of this Section 6.4 [*], the remedies will include those set forth in clauses (a) and (b) above, as well as the right of the non-breaching Party to seek other remedies at law or in equity, including [*].

(e) Prior to commencement of Commercialization of a Licensed Product by ZAI (or an Affiliate or sublicensee of ZAI), BMS shall have the right to audit (and otherwise conduct due diligence with respect to) ZAI (and/or its sublicensee or Affiliate) with respect to ZAI's policies and procedures to ensure compliance, as well as its history of compliance, with Applicable Law and this Section 6.4. In the event that BMS is not satisfied with the results of such audit or diligence, the Parties shall meet to address the issue; provided that (I) [*] unless and until [*], and (II) in the event of any dispute as to whether and how to address such issue that lasts in excess of [*] after written notice from ZAI as to the nature of such a dispute, its position regarding such dispute and its rationale therefor, [*] until the resolution of such dispute.

(f) Without limiting the foregoing, BMS shall have the right to monitor ZAI's (or its Affiliate's or sublicensee's) activities with respect to interactions with health care providers regarding the Development or Commercialization of a Licensed Product, including having representatives of BMS's business control function review records relating to any payments to, or interactions with, health care providers regarding the use of a Licensed Product. In connection with such review, ZAI will make any such records (and personnel having knowledge of such records or payments or interactions) available to BMS from time to time upon reasonable notice (but no more often than [*]).

7. MANUFACTURE AND SUPPLY

7.1 Product Manufacture and Supply. Except as set forth in Section 4.2 above, ZAI shall be responsible for providing, either by itself or through its Affiliates or Third Part contact manufactures, all necessary clinical and commercial supply of the Licensed Product and placebo in conformance with specifications therefor and all Applicable Laws for both Development and Commercialization of the Licensed Product (including fulfilling purchase orders for Licensed Products and placebo) in the Partner Territory. To the extent necessary for the Development of the Licensed Product for the Partner Territory in accordance with this Agreement, ZAI shall obtain all other clinical supplies, and acknowledges and agrees that (i) such clinical supplies shall be manufactured and supplied in accordance with the Good Manufacturing Practice for Drugs (□□□□□□□□□□) promulgated by CFDA, and (ii) ZAI shall be responsible for labeling of such supplies and distribution to clinical sites.

7.2 Costs of Supply. Costs relating to the supply of Licensed Product and placebo that is reasonably necessary to support the Development of the Licensed Product in the Partner Territory shall be borne by ZAI; provided that Manufacturing Costs for the commercial supply of Co-Promoted Products shall be included in Allowable Expenses.

8. FINANCIAL TERMS

8.1 For Licensed Products that are not Co-Promoted Products.

(a) Development Milestones. ZAI shall pay to BMS the following amounts within [*] days following the first occurrence of each of the events set forth in the table below with respect to a Licensed Compound or Licensed Product that has not become a Co-Promoted Product. For purposes of clarity, the milestone payments set forth below shall be payable only upon the first achievement of such milestone, and shall not be payable more than once, regardless of whether more than one Licensed Compound or Licensed Product achieves such milestone.

US $ [*]	[*]
US $ [*]	[*]
US$[*]	[*]

(b) Sales-Based Milestones. ZAI shall pay to BMS the following amounts within [*] days following the first occurrence of each of the events set forth in the table below with respect to a Licensed Product that has not become a Co-Promoted Product.

US$[*]	Upon reaching US$[*] in total cumulative net sales in the Partner Territory, if such sales threshold is achieved during the first [*] calendar years subsequent to initial commercial launch of the Licensed Product.
US$[*]	Upon reaching US$[*] in net annual sales in the Partner Territory for the first time in any one calendar year.
US$[*]	Upon reaching US$[*] in net annual sales in the Partner Territory for the first time in any one calendar year.
US$[*]	Upon reaching US$[*] in total cumulative net sales in the Partner Territory, if such sales threshold is achieved during the first [*] calendar years subsequent to initial commercial launch of the Licensed Product.

(c) Royalties. ZAI shall pay to BMS a royalty on Net Sales of each Licensed Product (that has not become a Co-Promoted Product) by ZAI, its Affiliates and Sublicensees in the Field in the Partner Territory equal to the following portions of Net Sales multiplied by the applicable royalty rate for such portion:

Portion of Annual Net Sales	Royalty Rate
Up to but less than US$[*]	[*]%
Equal to or greater than US$[*] and less than or equal to US$[*]	[*]%
Equal to or greater than US$[*]	[*]%

8.2 Profit-Sharing Relating to Co-Promoted Products in the Partner Territory. Unless and until ZAI exercises the ZAI Commercialization Opt-Out pursuant to Section 6.3, the terms and conditions of this Section 8.2 shall govern each Party's rights and obligations with respect to Operating Profits (or Losses) related to Co-Promoted Product(s) in the Partner Territory.

(a) Basic Concepts. ZAI shall book sales of the Licensed Product(s) in the Partner Territory. BMS shall receive [*] of all Operating Profits and bear [*] Operating Losses (as applicable) for the Licensed Product(s) in the Partner Territory; and ZAI shall receive [*] of all Operating Profits and bear [*] of Operating Losses (as applicable) for the Licensed Product(s) in the Partner Territory; provided that specific financial flows shall be agreed by the Parties to effect such overall economic intent. Specifically, the Net Sales of such Licensed Product(s) in the Partner Territory shall be allocated first to reimburse each Party for its Allowable Expenses incurred in accordance with the China Commercialization Plan and Section 6.2(g) for the Licensed Product(s) in the Partner Territory, and any remaining sums, shall be Operating Profit or Operating Loss (as applicable), which shall be shared [*] in accordance with this Section 8.2.

(b) Reports and Payments in General. With respect to the Licensed Product(s) in the Partner Territory, each Party shall report to the other Party, within [*] days after the end of each quarter, Net Sales (in the case of ZAI) and Allowable Expenses incurred by such Party (including any Allowable Expenses incurred by a Party prior to Regulatory Approval of such Product) as set forth in Section 6.2(g) for such Licensed Product(s) during such quarter in the Partner Territory. Each such report shall specify in reasonable detail all deductions allowed in the calculation of such Net Sales and all expenses included in Allowable Expenses, and, if requested by a Party, any invoices or other supporting documentation for any payments to a Third Party that individually exceed [*] or collectively exceed [*] (or such other amount approved by the JCC) shall be promptly provided. Within [*] days after the end of each quarter (or for the last quarter in a year, [*] days after the end of such quarter), ZAI shall reconcile all Net Sales and Allowable Expenses to ascertain whether there is an Operating Profit or an Operating Loss and payments shall be made, and shall provide a report to BMS setting forth in reasonable detail such calculation of Operating Profit or Operating Loss, and make payment or provide invoice to BMS for any reconciling payment as set forth in paragraphs (i) and (ii) below, as applicable.

(i) If there is an Operating Profit for such quarter, then ZAI shall reimburse BMS for Allowable Expenses incurred by BMS in such quarter and shall pay to BMS an amount equal to [*] the Operating Profit for such quarter, and ZAI shall retain an amount equal to [*] the Operating Profit for such quarter; or

(ii) If there is an Operating Loss for such quarter, then the Party that has borne less than its share of the Operating Loss in such quarter shall make a reconciling payment to the other Party to assure that each Party bears its share of such Operating Loss during such quarter. Specifically:

(1) In the event that BMS has borne Allowable Expenses in excess of [*] of the Operating Loss for such quarter, then ZAI shall make a reconciling payment to BMS in the amount equal to such Allowable Expenses incurred by BMS less BMS's share of the Operating Loss during such quarter, or

(2) In the event that BMS has borne Allowable Expenses less than its share of the Operating Loss for such quarter, then ZAI shall invoice BMS for, and BMS shall pay to ZAI, a reconciling payment owed to ZAI within [*] days subsequent to such invoice, in the amount equal to BMS's share of the Operating Loss less the amount of Allowable Expenses incurred by BMS during such quarter, or

(3) In the event that BMS has borne Allowable Expenses equal to its share of the Operating Loss for such quarter, no reconciling payment will be paid by either Party.

(c) Last Calendar Quarter**.** No separate payment shall be made for the last quarter in any year. Instead, at the end of each such year, a final reconciliation shall be conducted by comparing the share of Operating Profit (or Loss) to which a Party is otherwise entitled for such year pursuant to clause (a) of this Section 8.1 against the sum of all amounts (if any) previously paid or retained by such Party for prior quarters during such year, and the Parties shall make reconciling payments to one another no later than [*] days after the end of such quarter, if and as necessary to ensure that each Party receives for such year its share of Operating Profits and bears its share of Operating Losses in accordance with this Section 8.1.

8.3 In Event of ZAI Opt-Out; Royalty Payments from BMS to ZAI. Following ZAI's exercise of the ZAI Commercialization Opt-Out pursuant to Section 6.3 (if applicable), BMS shall pay to ZAI a royalty on Net Sales of each Licensed Product (that has not become a Co-Promoted Product) by BMS its Affiliates and Sublicensees in the Field in the Partner Territory equal to the following portions of Net Sales multiplied by the applicable royalty rate for such portion:

Portion of Annual Net Sales	**Royalty Rate**
Up to but less than US$[*]	[*]%
Equal to or greater than US$[*] and less than or equal to US$[*]	[*]%
Equal to or greater than US$[*]	[*]%

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

8.4 In Event of BMS Exercise of Option to Use Regulatory Data for Development in the Field and in the BMS Territory. In the event that BMS decides to pursue the development of the Licensed Product in the Field and in the BMS Territory pursuant to Section 5.7(b), BMS will make the payments to ZAI as set forth in this Section 8.4.

(a) Upfront Fee. If BMS does not exercise its option to co-Promote a Licensed Product in the Partner Territory pursuant to Section 6.1, BMS shall make a one-time upfront payment of [*] within [*] days of exercising its option pursuant to Section 5.7.

(b) Milestones. BMS shall pay to ZAI the following amounts within [*] days following the first occurrence of each of the events set forth in the table below with respect to a Licensed Compound or Licensed Product. For purposes of clarity, the milestone payments set forth below shall be payable only upon the first achievement of such milestone, and shall not be payable more than once, regardless of whether more than one Licensed Compound or Licensed Product achieves such milestone.

US $ [*]	[*]
US $ [*]	[*]

(c) Royalties. BMs shall pay to ZAI a royalty of [*] of Net Sales of Licensed Products in the Field and in the BMS Territory.

8.5 Royalty Term; Royalty Step Down After Patent Expiration. Royalties payable by either Party shall be payable on a country-by-country basis on Net Sales of Licensed Product from the First Commercial Sale of a Licensed Product in a country until the last to occur of: (i) expiration of the last to expire BMS Patent Rights that contains a Valid Claim covering the Licensed Product; (ii) expiration of any market or data exclusivity for the sale of Licensed Product; or (iii) twelve (12) years from the first commercial sale of the Licensed Product in a country or administrative region (the "**Royalty Term**").

8.6 Third Party Royalty Payments. In the event that a Party, or its Affiliate or Sublicensee, after the Effective Date and in its reasonable judgment, is required to obtain a license from any Third Party under any patent covering the Licensed Compound in order to import, manufacture, use or sell any Licensed Product in or for the Partner Territory, and if a Party (or its Affiliate or Sublicensee) is required to pay to such Third Party under such license a royalty calculated on sales of the Licensed Product, and the infringement of such patent cannot, in such Party's reasonable belief, be avoided by such Party (or its Affiliate or Sublicensee), or if a Party (or its Affiliate or Sublicensee) is required by a court of competent jurisdiction to pay such a royalty to such a Third Party (and the infringement of such patent cannot, in such Party's reasonable belief, be avoided by such Party or its Affiliate or Sublicensee), then the amount of such Party's royalty obligations under Sections 8.1, 8.3 and/or 8.4 shall be reduced by [*] of the amount of such royalty paid to such Third Party; *provided however*, that the royalties payable under Sections 8.1, 8.3 and/or 8.4 hereof shall not be reduced in any such event below [*] of the amounts set forth in Sections 8.1, 8.3 and/or 8.4, as applicable. Prior to a Party or its Affiliate or Sublicensee exercising its reasonable judgment under this Section 8.6, such Party shall provide the other Party with written notice of a potential need to obtain any license from Third Parties. The Parties shall discuss the best course of action to resolve such potential license requirement(s), *provided* that such discussions shall not limit or delay such Party's or its Affiliate's or Sublicensee's right to exercise its reasonable judgment. For clarity, Third Party royalty payments shall be treated as an Allowable Expense in the event that the Parties are sharing Operating Profit and Losses pursuant to Section 8.2.

Except as set forth above, each Party shall be responsible for paying any and all royalties or other payments that may be payable to any Third Party as a result of such Party's manufacture, use or sale of the Licensed Compound or Licensed Product in or for the Partner Territory (or, with respect to BMS, the BMS Territory).

8.7 Royalty Conditions. The royalties under Sections 8.1, 8.3 and/or 8.4 shall be subject to the following conditions:

(a) only one (1) royalty shall be due with respect to each unit of Licensed Product without regard to whether there is more than one Valid Claim Covering such Licensed Product;

(b) no royalties shall be due upon the sale or other transfer among ZAI (or BMS, as applicable), its Affiliates, or Sublicensees, but in such cases the royalty shall be due and calculated upon ZAI's (or BMS', as applicable) or its Affiliate's or Sublicensee's Net Sales of Licensed Product to the first independent Third Party; and

(c) no royalties shall accrue on the disposition of Licensed Product in reasonable quantities by ZAI (or BMS, as applicable), its Affiliates or Sublicensees as part of an expanded access program, that are used in clinical trials, or as donations to non-profit institutions or government agencies for non-commercial purposes, *provided*, in each case, that neither ZAI (or BMS, as applicable), its Affiliate or Sublicensees receives any payment (in excess of its actual costs) for such Licensed Product.

8.8 Manner of Payment. All payments to be made by a Party hereunder shall be made in U.S. Dollars by wire transfer of immediately available funds to such bank account as shall be designated by the receiving Party. Except as otherwise provided in this Agreement, all payments to be made by a Party under this Agreement shall be due within [*] days of the date of invoice. Late payments shall bear interest at the rate provided in Section 8.13.

8.9 Sales Reports and Royalty Payments.

(a) Any royalty payments due under this Agreement will be calculated and reported for each calendar quarter, and will be paid within [*] days of the end of each calendar quarter in which the applicable Net Sales were recorded.

(b) Each royalty payment will be accompanied by a report stating on a Licensed Product-by-Licensed Product: (i) Net Sales of the Licensed Product in the applicable calendar quarter, (ii) a calculation of the amount of the royalty payment due in Dollars (as applicable per Section 8.8) on such Net Sales during the applicable quarter, and (iii) the amount of withholding taxes, if any, required by Applicable Law to be deducted with respect to such royalties. The report will express the value of all sales in Dollars. The Party making the royalty payment under Sections 8.1, 8.3 and/or 8.4 will convert any non-Dollar currencies into Dollars with the exchange rate it uses in preparing its financial statements for the applicable reporting period.

(c) Each Party will maintain records as are required to determine, in accordance with this Agreement, Net Sales and the sums or credits due under this Agreement. Each Party will maintain such records until the later of (a) [*] years after the end of the period to which such records pertain and (b) the expiration of the applicable tax statute of limitations (or any extensions thereof), or for such longer period as may be required by Applicable Law.

(d) If no royalty or payment is due for any royalty period hereunder, the royalty report shall so report.

8.10 Financial Record Audit. On [*] days prior written notice, a Party will have the right to have an independent certified public accountant inspect the financial records of the other Party and its Affiliates and their Sublicensees relating to the sale or manufacturing activities in connection with the Commercialization of Licensed Product in the Partner Territory (or BMS Territory if BMS is obligated to pay ZAI under Section 8.4), no more than [*], during usual business hours, at a time and a place mutually agreed to, for the sole purpose of verifying the completeness and accuracy of Net Sales, Allowable Expenses, Operating Profit (or Loss), and payments that are made under this Agreement (including, as applicable, royalty payments and any payments under Section 8.1) during the period of time [*] years preceding the date of the notice. The notice must identify the period of time subject to inspection; records from a period of time already subject to an inspection pursuant to this section may not be inspected again. Such accountant must have agreed in writing to maintain the confidentiality of all information learned in confidence, except as necessary to disclose to a Party such compliance or noncompliance by the other Party. The auditing Party shall pay for such inspections, unless such inspection and audit discloses for any period examined that there is a discrepancy of greater than [*] in the auditing Party's favor between the amounts that the audited Party reported and the amounts it actually paid in any given year, in which case the audited Party will be responsible for the payment of the reasonable cost of such inspection and audit. Each Party and its independent accounting firm agree that all information concerning such payments and reports will be Confidential Information as provided for in this Agreement. The audited Party will pay to the auditing Party within [*] days any underpayment identified pursuant to this Section 8.10.

8.11 Currency Exchange. With respect to Net Sales invoiced in a currency other than Dollars, the Net Sales shall be expressed in the domestic currency of the entity making the sale, together with the Dollar equivalent (as applicable), calculated using the rate of exchange to be used in computing the amount of currency equivalent in Dollars payable by the reporting Party for its own financial reporting purposes in connection with its other products.

8.12 Taxes. The Party receiving payments shall pay any and all taxes required by law that are levied on the payments it receives under this Agreement. If laws or regulations require that taxes be withheld, the paying Party shall (a) deduct those taxes from the remittable payment, (b) pay the taxes to the proper taxing authority and (c) send evidence of the obligation together with proof of payment to the other Party within [*] days following that payment. Each Party agrees to cooperate with the other Party in claiming exemption from such deductions or withholdings under any relevant agreement or treaty which is in effect and, to the extent permitted by Applicable Laws, minimizing the amount of tax payable with respect to payments received under this Agreement. In addition, the Parties shall cooperate in accordance with Applicable Law to minimize indirect taxes (such as value added tax, sales tax, consumption tax and other similar taxes) in connection with this Agreement. Notwithstanding the foregoing, in the event that payments are made by ZAI other than from the U.S. or Hong Kong, then ZAI shall, in addition to complying with the foregoing, pay an amount to BMS such that when any taxes that are required to be withheld have been deducted, BMS receives that amount that it would have received had the payment been made from the U.S. or Hong Kong. BMS shall make claims in respect of the resulting tax credits and, if BMS is able to use such tax credits, BMS shall notify ZAI of its use of the resulting tax credit. BMS shall reimburse ZAI for any tax withholding made as provided above to the extent BMS is able to use the resulting tax credits attributable to such withholding taxes

8.13 Interest Due. Without limiting any other rights or remedies available to a Party hereunder, interest shall be payable on any payments that are not paid on or before the date [*] days after the date such payments are due under this Agreement at an annual rate (calculated on a monthly basis) of [*] above the one (1) month London Interbank Offered Rate (LIBOR) of the month during which such payments are overdue, or the maximum applicable legal rate, if less, calculated on the total number of days payment is delinquent.

9. REPRESENTATIONS AND WARRANTIES; DISCLAIMER; LIMITATION OF LIABILITY

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

(b) It has all requisite corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;

(c) The execution of this Agreement and the performance by such Party of its obligations hereunder have been duly authorized;

(d) This Agreement is legally binding and enforceable on such Party in accordance with its terms; and

(e) The performance of this Agreement by it does not create a material breach or material default under any other agreement to which it is a Party.

9.2 Representations and Warranties of BMS. BMS represents and warrants that as of the Effective Date:

(a) BMS is the sole owner of the BMS Patent Rights, clear of all liens, and has the right to grant to ZAI the rights and licenses granted hereunder;

(b) To BMS' knowledge, (i) there is no pending or threatened litigation or arbitration which alleges, or any written communication alleging, that BMS' activities with respect to the BMS Patent Rights or the Licensed Compound have infringed or misappropriated any of the intellectual property rights of any Third Party with respect to the Partner Territory, and (ii) there is no pending or threatened re-examination, opposition, interference or litigation, or any written communication alleging that any BMS Patent is invalid or unenforceable anywhere in the Partner Territory;

(c) To BMS' knowledge, the manufacture, Development or Commercialization of the Licensed Compound does not and will not infringe or otherwise conflict with any intellectual property rights or other rights of any Third Party in the Partner Territory;

(d) BMS is not aware of any infringement or misappropriation of any BMS Patent Rights or any BMS Know-How by any Third Party in the Partner Territory;

(e) BMS (and to its knowledge any Third Party acting under its authority) has complied with all Applicable Laws in connection with its development of the Licensed Compounds (including information and data provided to Regulatory Authorities);

(f) BMS has not granted, and will not grant during the Term, any rights in the BMS Patents and/or the BMS Know-How that are inconsistent with the rights granted to ZAI under this Agreement; and

(g) To BMS's knowledge, other than the BMS Patent Rights, BMS does not Control any Patent that is reasonably necessary for the manufacture, Development or Commercialization of the Licensed Compound or Licensed Product in the Partner Territory or that Covers (i) the composition of matter of the Licensed Compound or Licensed Product, or (ii) a

method of manufacture or use of the Licensed Compound or Licensed Product. If BMS identifies any Patent that it Controls after the Effective Date which is necessary for the Development or Commercialization of the Licensed Compound or Licensed Product in the Partner Territory or that Covers (A) the composition of matter of the Licensed Compound, or (B) a method of manufacture or use of the Licensed Compound or Licensed Product, then such Patent shall automatically be added to the list of BMS Patent Rights.

(h) All of its activities related to its use of the BMS Patent Rights and BMS Know-How, and the manufacture, Development and Commercialization of the Licensed Compounds and Licensed Product(s), pursuant to this Agreement shall comply with all Applicable Law.

9.3 Representations and Warranties of ZAI. ZAI represents, warrants and covenants that:

(a) It shall not knowingly engage in any activities that use the BMS Patent Rights and/or BMS Know-How in a manner that is outside the scope of the license rights granted to it hereunder;

(b) It has sufficient resources, including without limitation, qualified personnel and access to Approved Contractors with the requisite skill and expertise, to conduct the Development activities set forth in the Partner Development Plan;

(c) To ZAI's knowledge as of the Effective Date, it is in good standing with all Approved Contractors listed on Schedule 5.9;

(d) To ZAI's knowledge as of the Effective Date, [*];

(e) As of the Effective Date, there are no pending or threatened actions, suits or proceedings against ZAI that would limit or impair ZAI's ability to perform its obligations under this Agreement;

(f) As of the Effective Date, and without any obligation to investigate, ZAI is not aware of any intellectual property rights of a Third Party which would be infringed by the making, using or selling of the Licensed Product in the Partner Territory;

(g) Prior to any employees, agents and representatives of ZAI or ZAI's Affiliates, or any Third Parties being granted access by ZAI to the Licensed Compounds, Data or Confidential Information of BMS, ZAI shall have executed agreements with such Persons providing for intellectual property rights protection consistent with the terms of this Agreement and for protection of Confidential Information of BMS, and ZAI covenants to take all reasonable actions to enforce the terms of such agreements against such Persons;

(h) As of the Effective Date, it has not received any written notice that any governmental authority has commenced, or, to its knowledge, threatened in writing to commence any action against ZAI based on ZAI's failure to comply with Applicable Law; and

(i) All of its activities related to its use of the BMS Patent Rights and BMS Know-How, and the Development and Commercialization of the Licensed Compounds and Licensed Product(s), pursuant to this Agreement shall comply with all Applicable Law.

9.4 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY PATENT RIGHTS, CONFIDENTIAL INFORMATION OR KNOW-HOW OF SUCH PARTY OR ANY LICENSE GRANTED BY SUCH PARTY HEREUNDER, OR WITH RESPECT TO ANY COMPOUNDS, INCLUDING BUT NOT LIMITED TO THE TRANSFERRED MATERIALS. FURTHERMORE, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES THAT ANY PATENT, PATENT APPLICATION, OR OTHER PROPRIETARY RIGHTS INCLUDED IN PATENT RIGHTS, CONFIDENTIAL INFORMATION OR KNOW-HOW LICENSED BY SUCH PARTY TO THE OTHER PARTY HEREUNDER ARE VALID OR ENFORCEABLE OR THAT USE OF SUCH PATENT RIGHTS, CONFIDENTIAL INFORMATION OR KNOW-HOW CONTEMPLATED HEREUNDER DOES NOT INFRINGE ANY PATENT RIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

9.5 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY SHALL BE LIABLE TO THE OTHER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, WHETHER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, MULTIPLE, OR CONSEQUENTIAL DAMAGES *PROVIDED, HOWEVER*, THAT THE FOREGOING SHALL NOT LIMIT (i) A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER AND (ii) SHALL NOT APPLY TO ANY BREACH BY EITHER PARTY OF SECTION 2.5 OR ARTICLE 11 HEREOF.

10. INTELLECTUAL PROPERTY

10.1 Ownership of Inventions.

(a) The inventorship of all Inventions shall be determined under the U.S. patent laws.

(b) Each Party shall own any Sole Inventions, [*], that are invented by it hereunder, and shall have the sole right to prosecute maintain and enforce any such Patents.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

(c) [*] shall own, and [*] hereby assigns to [*] at [*] sole costs and expenses, all right, title and interest in and to any [*] Inventions (and Patents covering such [*] Inventions) that are [*] Sole Inventions or Joint Inventions. [*] shall have the first right to prosecute, maintain and enforce any Patents covering such [*] Inventions subject to [*] and shall not (i) abandon, withdraw, invalidate or assign its right, title and interest in and to any [*] Inventions [*] that are assigned by [*] to [*] or (ii) otherwise cease to file, prosecute or maintain Patents claiming [*] Inventions [*] without [*] prior written consent (which shall not be unreasonably withheld). If a [*] Invention is assigned to [*] under the foregoing provision, then such [*] Invention and Patent claiming such [*] Invention shall be [*] of which [*] hereof without requiring [*].

(d) With respect to any Invention which is a Joint Invention and that is [*] BMS and ZAI shall jointly own such Invention and Patent claiming such Invention, and shall consult with each other and agree with respect to the prosecution, and maintenance and enforcement of any Patent(s) covering such Joint Inventions. Each of BMS and ZAI may use such Invention and Patent claiming such Invention without any consent of, or accounting to, the other.

(e) Notwithstanding Section 10.1(c), with respect to any Invention which is a [*] Sole Invention and that is [*], [*] shall own such Invention and Patent claiming such Invention and shall have the sole right to prosecute, maintain and enforce Patents covering such Inventions. [*].

(f) To facilitate the Parties' intent hereunder, the Parties shall use reasonable efforts to separate Inventions described in clauses (b) through (e) above into separate and distinct patent filings.

10.2 Disclosure. [*] shall submit a written report to the JDC no less frequently than within sixty (60) days of the end of each quarter describing any [*] Invention made by [*] arising during the prior quarter in the course of exercising the rights and/or abiding by the obligations hereunder which [*] is aware of and believes may be patentable or at such earlier time as may be necessary to preserve patentability of such [*] Invention. [*] shall, at [*] sole costs and expenses, provide to [*] such assistance and execute such documents as are reasonably necessary to (i) permit the filing and prosecution of such patent application to be filed on such [*] Invention, or the issuance, maintenance or extension of any resulting Patent, and/or (ii) effect the assignment of any right, title and interest in any such [*] Invention to [*].

10.3 Prosecution and Maintenance of BMS Patent Rights. BMS shall file, prosecute and maintain in the Partner Territory the BMS Patent Rights. Such filing, prosecution and maintenance of the BMS Patent Rights shall be at BMS' sole expense. BMS shall keep ZAI reasonably informed on the status of any BMS Patent Rights in the Partner Territory. Without limiting the generality of the foregoing, BMS shall provide ZAI with notice of any change to any status of any BMS Patent Rights (including by way of example filing, publication, issuance, divisions, continuations, continuations-in-part, reissues, renewals, extensions, supplementary protection certificates, withdrawal, cancellation, abandon, invalidation, revocation and the like) to the extent that such change is reasonably likely to have a material impact on the Commercialization of Licensed Products in the Partner Territory and shall provide ZAI with all drafts of all proposed

material filings and correspondence to any patent authorizes in the Partner Territory relating to the BMS Patent Rights for ZAI's review and comment prior to submission. If BMS decides to cease the prosecution or maintenance of any BMS Patent Rights in the Partner Territory, it shall notify ZAI in writing sufficiently in advance. ZAI may, at its discretion, assume the rights to the prosecution or maintenance of such BMS Patent Rights in the Partner Territory, at ZAI's sole expense by informing BMS in writing within sixty (60) days after receiving such notification from BMS, in which event BMS shall assign to ZAI all rights and interests in and to such BMS Patent Rights in the Partner Territory.

10.4 Enforcement of BMS Patent Rights.

(a) In the event that either Party becomes aware of a suspected infringement or misappropriation in the Field within the Partner Territory by a Third Party of BMS Patent Rights, such Party shall notify the other Party promptly. Subject to Section 10.4(b), [*] shall have the first right, but not the obligation, to bring an enforcement action against any such Third Party or to defend any declaratory judgment proceedings in connection with such suspected infringement at its own expense, in its own name and entirely under its own direction and control, and, to the extent commercially reasonable, shall use diligent efforts to eliminate such infringement, regardless of which Party first becomes aware of any such infringement. In the event that [*] fails to take reasonable measures to stop such infringing activities and fails to bring an enforcement action against such Third Party within [*] days of a request by [*] to do so, [*] may, [*], bring an enforcement action against such Third Party at [*] expense.

(b) In the event [*], [*] shall have the first right, but not the obligation, and in any case upon the written consent of BMS which shall not be unreasonably withheld, to bring an enforcement action against any Third Party for any suspected infringement or misappropriation of the BMS Patent Rights in the Field within the Partner Territory or to defend any declaratory judgment proceedings in connection with such suspected infringement at its own expense, in its own name and entirely under its own direction and control, and, to the extent commercially reasonable, shall use diligent efforts to eliminate such infringement, regardless of which Party first becomes aware of any such infringement. In the event that [*] fails to take reasonable measures to stop such infringing activities and fails to bring an enforcement action against such Third Party within [*] days of a request by [*] to do so, [*] may bring an enforcement action against such Third Party at [*] expense.

(c) The enforcing Party shall keep the non-enforcing Party reasonably informed on the status of any enforcement actions or proceedings conducted hereunder. The non-enforcing Party shall reasonably assist the enforcing Party (at the enforcing Party's expense) in such actions or proceedings if so requested, and the enforcing Party shall reimburse the non-enforcing Party for all external expenses incurred in providing such assistance and shall hold the non-enforcing Party harmless from any liability incurred by the non-enforcing Party arising out of its participation or assistance in any such proceedings or actions at the enforcing Party's request. The non-enforcing Party shall have the right, but not the obligation, to participate and be represented in any such suit by its own counsel at its own expense.

10.5 Defense of Third Party Claims. If a claim is brought by a Third Party against a Party (a "**Defendant Party**") in the Partner Territory that any activity related to work performed by such Party under this Agreement and in the Partner Territory infringes the intellectual property rights of any Third Party, the Defendant Party shall give prompt written notice to the other Party of such claim, and following such notification, [*] shall be responsible, at its sole discretion, for acquiring licenses under such Third Party patent(s) by settlement or for the defense against such enforcement actions brought by the Third Party so that the Parties are eligible to exercise any rights granted or perform any obligations hereunder, and shall hold [*] harmless from any liability, including without limitation any royalty payment to the Third Party incurred by [*] arising out of any such proceedings or actions. [*] shall keep [*] fully informed with respect to the settlement or defense of any such Third Party claim. If [*] is a Defendant Party, [*] shall have the right to participate and be represented in any such suit by its own counsel at its own expense. Notwithstanding anything to the contrary, any settlement of any Third Party claim or any Third Party license entered into by a Party pursuant to this Section 10.5 shall be subject to approval by both Parties.

11. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

11.1 Nondisclosure. Each Party agrees that, for so long as this Agreement is in effect and for a period of [*] years thereafter, a Party (the "**Receiving Party**") receiving or possessing Confidential Information of the other Party (the "**Disclosing Party**") (or that has received any such Confidential Information from the other Party prior to the Effective Date) shall, and shall cause its employees, representatives, Affiliates, consultants, Approved Contractors, agents and Sublicensees to, (i) maintain in confidence such Confidential Information using not less than the efforts such Receiving Party uses to maintain in confidence its own proprietary industrial information of similar kind and value (but no less than reasonable care), (ii) not disclose such Confidential Information to any Third Party without the prior written consent of the Disclosing Party, except for disclosures expressly permitted below, and (iii) not use such Confidential Information for any purpose except those permitted by this Agreement, including in connection with exercising its rights or fulfilling its obligations under this Agreement (it being understood that this clause (iii) shall not create or imply any rights or licenses not expressly granted under Article 2 hereof). Each Receiving Party shall be responsible for any breach of these obligations by any of its employees, representatives, Affiliates, consultants, Approved Contractors, agents and Sublicensees to which it discloses or provides access to any Confidential Information of the Disclosing Party. Each Receiving Party shall take all reasonable action under Applicable Law to enforce the confidentiality obligations hereunder against any employees, representatives, Affiliates, consultants, Approved Contractors, agents and Sublicensees to which it discloses or provides access to any Confidential Information of the Disclosing Party.

(a) Confidentiality of BMS Know-How for Disclosure Purposes. During such time as the license to the BMS Know-How granted under Section 2.1 is in effect, solely for disclosure purposes to Third Parties, the BMS Know-How shall be deemed to be Confidential Information of both BMS and ZAI under Article 11, both BMS and ZAI shall be deemed to be a Disclosing Party of the BMS Know-How under Article 11, and BMS and its Affiliates shall be deemed not to have known such BMS Know-How prior to disclosure for the purposes of Section 11.1(b)(ii). Other than for disclosure purposes to Third Parties, the BMS Know-How shall solely be the Confidential Information of BMS.

(b) Exceptions. The obligations in Section 11.1 shall not apply with respect to any portion of the Confidential Information that the Receiving Party can show by competent proof:

(i) is publicly disclosed by the Disclosing Party, either before or after it is disclosed to the Receiving Party hereunder; or

(ii) was known to the Receiving Party or any of its Affiliates, without any obligation to keep it confidential or any restriction on its use, prior to disclosure by the Disclosing Party; or

(iii) is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party lawfully in possession thereof and without any obligation to keep it confidential or any restriction on its use; or

(iv) is published by a Third Party or otherwise becomes publicly available or enters the public domain other than through any act or omission of the Receiving Party in breach of this Agreement, either before or after it is disclosed to the Receiving Party; or

(v) has been independently developed by employees or contractors of the Receiving Party (excluding [*]) or any of its Affiliates without the aid, application or use of Confidential Information of the Disclosing Party as demonstrated by documented evidence prepared contemporaneously with such independent development.

Notwithstanding the definition of "Confidential Information" in Section 1.18, all Data generated in the performance of the Partner Development Plan shall be [*].

11.2 Authorized Disclosure. The Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(a) preparing, filing or prosecuting Patents;

(b) preparing, filing or prosecuting Regulatory Materials;

(c) prosecuting or defending litigation;

(d) subject to Section 11.4, complying with Applicable Law (including, without limitation, the rules and regulations of any national securities exchange, regulations of the State Administration of Foreign Exchange of the People's Republic of China, and the State Intellectual Property Office of the People's Republic of China) and with judicial process, if in the reasonable opinion of the Receiving Party's counsel, such disclosure is necessary for such compliance, *provided* that the Receiving Party shall promptly notify the other Party of such required disclosure so that the Disclosing Party can seek a protective order or other appropriate remedies and, at the Disclosing Party's request and expense, reasonably assist the Disclosing Party in seeking such protective order or other reasonable remedies; and

(e) disclosure (i) in connection with the performance of this Agreement and solely on a "need to know basis", to Affiliates; potential or actual collaborators (including potential Sublicensees); or employees, contractors, or agents; or (ii) solely on a "need to know basis" to potential or actual investment bankers, consultants, advisors, investors, partners, collaborators, lenders, or acquirers; each of whom in the case of clause (i) or (ii) prior to disclosure must be bound by written obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 11; *provided, however*, that the Receiving Party shall remain responsible for any failure by any Person to which it discloses or provides access to Confidential Information of the Disclosing Party pursuant to this Article 11 to treat such Confidential Information as required under this Article 11. Notwithstanding anything in this Agreement to the contrary, ZAI may, in its sole discretion, disclose [*] in connection with the performance of this Agreement in non-confidential corporate presentations.

If and whenever any Confidential Information is disclosed in accordance with this Section 11.2, such disclosure shall not cause any such information to cease to be Confidential Information except to the extent that such disclosure results in a public disclosure of such information (otherwise than by breach of this Agreement). Where reasonably possible and subject to Section 11.4, the Receiving Party shall notify the Disclosing Party of the Receiving Party's intent to make such disclosure pursuant to paragraphs (a) through (d) of this Section 11.2 sufficiently prior to making such disclosure so as to allow the Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of its Confidential Information subject to such disclosure.

11.3 Terms of this Agreement. The Parties acknowledge that the terms of this Agreement shall be treated as Confidential Information of both Parties.

11.4 Prior CDA. This Agreement supersedes the Confidentiality Agreement between the Parties effective [*] (the "**Prior CDA**") with respect to information disclosed thereunder. All information exchanged between the Parties under the Prior CDA shall be deemed Confidential Information of the disclosing Party and shall be subject to the terms of this Article 11.

11.5 Securities Filings. In the event either Party proposes to file with the Securities and Exchange Commission or the securities regulators of any state, country, province or other jurisdiction a registration statement or any other disclosure document which describes or refers to this Agreement under the Securities Act of 1933, as amended, the Securities Exchange Act, of 1934, as amended, or any other Applicable Law, the Party shall notify the other Party of such intention and shall provide such other Party with a copy of relevant portions of the proposed filing not less than five (5) business days prior to such filing (and any revisions to such portions of the proposed filing a reasonable time prior to the filing thereof), including any exhibits thereto relating to this Agreement, and shall use reasonable efforts to obtain confidential treatment of any information concerning this Agreement that such other Party requests be kept confidential, and shall only disclose Confidential

Information of the Disclosing Party which it is advised by counsel is legally required to be disclosed. No such notice shall be required under this Section 11.4 if the substance of the description of or reference to this Agreement contained in the proposed filing has been included in any previous filing made by the other Party hereunder or otherwise approved by the other Party.

11.6 Publication.

(a) Publication by BMS. BMS may publish or present data and/or results relating to the Licensed Compound or Licensed Product(s) and generated pursuant to this Agreement in scientific journals and/or at scientific conferences, subject to the prior review, comment and approval by ZAI, which approval shall not be unreasonably withheld. ZAI shall provide any comment or approval to BMS within [*] days of receiving the applicable proposed publication or presentation materials. In the event ZAI fails to provide comment or approval within such [*] day period, BMS may proceed with such proposed publication and approval without further notice to ZAI. For clarity, BMS may publish or present data generated pursuant to this Agreement [*] if [*]; provided that the Parties shall coordinate any such publication, taking into account any intention of ZAI to publish such data (as it relates to the Partner Territory) in accordance with clause (b) of this Section 11.6 below.

(b) Publication by ZAI. ZAI may, and may authorized clinical investigators engaged by ZAI in performing the Development activities hereunder to, publish or present data and/or results relating to a Licensed Compound or Licensed Product and generated pursuant to this Agreement in scientific journals and/or at scientific conferences, subject to the prior review, comment and approval by BMS, which approval shall not be unreasonably withheld. BMS shall provide any comment or approval to ZAI within [*] days of receiving the applicable proposed publication or presentation materials. In the event BMS fails to provide comment or approval within such [*] day period, ZAI may proceed with such proposed publication and approval without further notice to BMS.

12. INDEMNITY AND LIABILITY

12.1 ZAI Assumption of Liability. ZAI hereby assumes all liability for any claims, damages, losses, suits, proceedings, liabilities, costs (including, without limitation, reasonable legal expenses, costs of litigation and reasonable attorney's fees) or judgments, whether for money or equitable relief, of any kind, arising out of any claim, action, lawsuit or other proceeding brought by a Third Party ("**Losses**") arising out of its activities conducted in the Partner Territory pursuant to the rights granted to it by BMS pursuant to this Agreement *except for* Losses subject to Section 12.2 below or the supply agreement under Section 7.1(b). In particular, BMS shall have no liability relating to the conduct of clinical trials (or injuries arising therefrom); *except* for Losses subject to Section 12.2 below or the supply agreement under Section 7.1(b).

12.2 Mutual Indemnification.

(a) Subject to Section 12.3, each Party hereby agrees to indemnify, defend and hold harmless the other Party, its Affiliates, and their respective directors, employees and agents from and against any and all Losses resulting from any: (a) breach of warranty by the indemnifying Party contained in the Agreement; (b) breach of the Agreement or applicable law by such indemnifying Party; (c) negligence or willful misconduct of the indemnifying Party, its Affiliates or (sub)licensees, or their respective directors, employees and agents in the performance of the Agreement; and/or (d) breach of a contractual or fiduciary obligation owed by it to a Third Party (including misappropriation of trade secrets).

(b) In the event that the Parties are co-promoting Licensed Products in the Partner Territory, any Losses resulting from the manufacture, use, handling, storage, sale or other disposition of Licensed Products for Commercialization in the Partner Territory by a Party or its Affiliates, agents or Sublicensees with respect to which neither Party owes an indemnification obligation under Section 12.2(a) shall be included as a Commercialization Cost, if incurred after Regulatory Approval of A Licensed Product to which such Loss relates.

12.3 Indemnification Procedure. A claim to which indemnification applies under Section 12.2 shall be referred to herein as an "**Indemnification Claim**". If any Person or Persons (collectively, the "**Indemnitee**") intends to claim indemnification under this Article 12, the Indemnitee shall notify the other Party (the "**Indemnitor**") in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The Indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee, *provided*, *however*, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. If the Indemnitor does not assume the defense of the Indemnification Claim as aforesaid, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner which would have an adverse effect on the Indemnitee's interests (including without limitation any rights under this Agreement or the scope or enforceability of the BMS Patent Rights or BMS Know-How) and shall not admit liability or wrongdoing on the part of either Party or its Affiliates, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld or delayed. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee, which information shall be subject to Article 11.

13. TERM AND TERMINATION

13.1 Term. This Agreement shall commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof or by mutual written consent, shall continue unless and until the earliest to occur of (1) termination pursuant to this Agreement, (2) there are no payments due hereunder for a period of twelve (12) consecutive months after first commercial sale of a Licensed Product or Co-Promoted in the Partner Territory, or (3) the Parties' mutual written consent.

13.2 Termination By BMS.

(a) Termination by BMS for Insolvency of ZAI. BMS shall have the right to terminate this Agreement with respect to any or all licenses granted to ZAI pursuant to Article 2 of this Agreement, at BMS' sole discretion, upon delivery of written notice to ZAI in the event that (i) ZAI files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of ZAI or its assets, (ii) ZAI is served with an involuntary petition against it in any insolvency proceeding, and upon the [*] day after such service, such involuntary petition has not been stayed or dismissed, or (iii) ZAI makes an assignment of substantially all of its assets for the benefit of its creditors.

(b) Termination by BMS for Breach by ZAI.

(i) Breach of this Agreement. Subject to Section 13.2(b)(ii) below, BMS shall have the right to terminate this Agreement with respect to any or all licenses granted to ZAI pursuant to Article 2 of this Agreement, at BMS' sole discretion, upon delivery of written notice to ZAI in the event of any material breach by ZAI of any terms and conditions of this Agreement, *provided* that such breach has not been cured within [*] days after written notice thereof is given by BMS to ZAI (the "**Cure Period**") specifying the nature of the alleged breach, *provided, however*, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within [*] days after written notice thereof is given by BMS to ZAI. Notwithstanding the foregoing, in the event a material breach by ZAI (other than a breach that involves the failure to make a payment when due) cannot reasonably be cured within the [*] day period after written notice thereof is given by BMS to ZAI, this Agreement shall continue and shall not be terminated for a period reasonably required by ZAI to cure such breach, so long as ZAI is undertaking in good faith the steps and following the timelines specified in writing by BMS to reasonably cure said breach. If, however, at any time after the initial [*] day period ZAI ceases to use diligent efforts to take the agreed upon steps to cure the breach, BMS may terminate this Agreement immediately upon written notice to ZAI.

(ii) Disputed Breach. If ZAI disputes in good faith the existence or materiality of a breach specified in a notice provided by BMS pursuant to Section 13.2(b)(i), and ZAI provides notice to BMS of such dispute within the applicable [*] day or [*] day period, BMS shall not have the right to terminate this Agreement unless and until the existence of such material breach or failure by ZAI has been determined in accordance with Section 14.2 and ZAI fails to cure such breach within [*] days following such determination (except to the extent such breach involves the failure to make a payment when due, which breach must be cured within [*] days following such determination). It is understood and acknowledged that during the pendency of such a dispute, all of the terms and conditions of this Agreement shall remain in effect and the Parties shall continue to perform all of their respective obligations hereunder. The Parties further agree that any payments

that are made by one Party to the other Party pursuant to this Agreement pending resolution of the dispute shall be promptly refunded if an arbitrator or court determines pursuant to Section 14.2 that such payments are to be refunded by one Party to the other Party. In the case where the material breach (other than a breach that involves the failure to make a payment when due or arising from Section 6.4) cannot reasonably be cured within the [*] day period after written notice thereof is given by BMS to ZAI, the Agreement shall continue and shall not be terminated for a period reasonably required by ZAI to cure such breach, so long as ZAI is undertaking in good faith the steps and following the timelines specified in writing by BMS to reasonably cure said breach. If, however, at any time after the initial [*] day period BMS ceases to use diligent efforts to take the agreed upon steps to cure the breach, BMS may terminate this Agreement immediately upon written notice to ZAI.

13.3 Termination by ZAI.

(a) Termination by ZAI for Convenience. At any time subsequent to [*], ZAI may terminate this Agreement upon [*] written notice to BMS.

(b) Termination by ZAI For Breach by BMS. ZAI may terminate this Agreement in the event of material breach by BMS, *provided* that such breach has not been cured within [*] days after written notice thereof is given by ZAI to BMS, *provided*, *however*, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within [*] days after written notice thereof is given by ZAI to BMS. Notwithstanding the foregoing, if BMS disputes in good faith the existence or materiality of such breach and provides notice to ZAI of such dispute within such [*] day period, ZAI shall not have the right to terminate this Agreement in accordance with this Section 13.3 unless and until it has been determined in accordance with Section 14.2 that this Agreement was materially breached by BMS and BMS fails to cure such breach within [*] days following such determination (except to the extent such breach involves the failure to make a payment when due, which breach must be cured within [*] days following such determination). It is understood and acknowledged that during the pendency of such a dispute, all of the terms and conditions of this Agreement shall remain in effect and the Parties shall continue to perform all of their respective obligations hereunder. The Parties further agree that any payments that are made by one Party to the other Party pursuant to this Agreement pending resolution of the dispute shall be promptly refunded if an arbitrator or court determines pursuant to Section 14.2 that such payments are to be refunded by one Party to the other Party. In the case where the material breach (other than a breach that involves the failure to make a payment when due or arising from Section 6.4) cannot reasonably be cured within the [*] day period after written notice thereof is given by ZAI to BMS, the Agreement shall continue and shall not be terminated for a period reasonably required by BMS to cure such breach, so long as BMS is undertaking in good faith the steps and following the timelines specified in writing by ZAI to reasonably cure said breach. If, however, at any time after the initial [*] day period BMS ceases to use diligent efforts to take the agreed upon steps to cure the breach, ZAI may terminate this Agreement immediately upon written notice to BMS.

13.4 Termination for Safety Reasons. Subject to the rest of this Section 13.4, either Party may terminate this Agreement upon written notice to the other Party based on Safety Reasons. Upon receiving such written notice, each Party shall immediately cease all the Development and/or Commercialization activities that give rise to such Safety Reasons. If either Party disputes the existence of such Safety Reasons, such dispute shall be referred to JDC prior to resorting to the procedures under Article 14 and the applicable Party's right to terminate this Agreement shall be stayed during the pendency of such dispute resolution process, *provided* that neither Party may engage in any Development and/or Commercialization activities that give rise to such Safety Reasons until such dispute is finally resolved in favor of the Party disputing such Safety Reasons. Upon such termination for Safety Reasons, each Party shall be responsible at its expense for the wind-down of any Development (including without limitation any clinical trials for the Licensed Product being conducted by or on behalf of each Party) and any Commercialization activities for the Licensed Product(s).

13.5 Termination for Program Failure. Either Party shall have the right to terminate this Agreement, upon [*] days written notice to the other Party, in the event that the Licensed Compound meets the Stopping Criteria during the Development of the Licensed Compound in accordance with the Partner Development Plan, *provided* that if either Party disputes whether the Stopping Criteria has been met, such dispute shall be referred to JDC prior to resorting to the procedures under Article 14 and the applicable Party's right to terminate this Agreement shall be stayed during the pendency of such dispute resolution process.

13.6 Effect of Termination. Upon termination of this Agreement or any right or license pursuant to this Article 13, the rights and obligations of the Parties shall be as set forth in this Section 13.6.

(a) Upon termination of this Agreement, the following shall apply:

(i) All rights and licenses granted to ZAI in Article 2 shall terminate, all rights of ZAI under the BMS Patent Rights and BMS Know-How shall revert to BMS, and ZAI shall cease all use of the BMS Patent Rights and BMS Know-How.

(ii) Upon termination under [*] including, without limitation, [*], and [*], and [*] and all [*].

(iii) All amounts due or payable by a Party to the other Party prior to the effective date of termination shall remain due and payable, but (except as otherwise expressly provided herein) no additional amounts shall be payable.

(iv) Except in the event of a termination under Section 13.4, should ZAI have any inventory of the Licensed Compound allocated for use in clinical trials in the Partner Territory, ZAI shall return such inventory to BMS (or destroy such inventory) [*]. In the event of a termination (other than a termination under Section 13.4) after BMS fails to elect to co-promote the Licensed Product under Section 6.2, should ZAI have any inventory of the Licensed Product, ZAI, its Affiliates and Sublicensees shall have [*] thereafter to destroy or return (at BMS' election) such inventory (subject to the payment to BMS of any royalties due on the sale of such remaining inventory).

(v) Upon termination under [*], ZAI shall [*] and [*].

(vi) Neither Party shall be relieved of any obligation that accrued prior to the effective date of such termination or expiration.

(vii) Each Party shall have the right to retain all amounts previously paid to it by the other Party, subject to any applicable determination of an arbitrator or court pursuant to Section 14.2.

13.7 Scope of Termination. Except as otherwise expressly provided herein, termination of this Agreement shall be as to all countries in the Partner Territory and all Licensed Product(s).

13.8 Survival. The following provisions shall survive termination or expiration of this Agreement, as well as any other provision which by its terms or by the context thereof, is intended to survive such termination: Sections [*]. Termination or expiration of this Agreement shall not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity, subject to Section 14.2, with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other obligations shall terminate upon expiration of this Agreement.

13.9 Bankruptcy. Subject to BMS' termination right under Section 13.2(a), the Parties intend that to the maximum extent permitted by Applicable Law, the licenses granted hereunder shall survive the bankruptcy or reorganization of the granting Party and any rights that have accrued to a Party prior to such bankruptcy or reorganization of the other Party shall continue to vest. Each licensee Party shall have the right to register any licenses and/or ownership interests with any relevant governmental authority to put others on notice of its rights hereunder.

14. DISPUTE RESOLUTION; ARBITRATION

14.1 Resolution by Senior Executives. Other than (i) determinations made by certified accountants as provided in Section 8.10, and (ii) pursuit of provisional or interim measures as provided in Section 14.2(g), or (iii) disputes resolved by the JDC, JCC or Executives pursuant to Section 3.5 or 3.11, in the event of any dispute between the Parties relating to or arising out of this Agreement, the formation, construction, breach or termination hereof, or the rights, duties or liabilities of either Party hereunder, the Parties shall first attempt in good faith to resolve such dispute by negotiation and consultation between themselves, utilizing the Alliance Managers, the JDC and the JCC as set forth herein. In the event that such dispute is not resolved on an informal basis within thirty (30) Business Days, either Party may, by written notice to the other Party, refer the dispute to the Executive Officers for attempted resolution by good faith negotiation within thirty (30) days after such notice is received.

14.2 Arbitration. Other than (i) decisions of the JDC, which are subject to [*] final decision making authority as provided in Section 3.5, (ii) determinations made by certified accountants as provided in Section 8.10, (iii) decisions of the JCC that are subject to [*] final decision-making authority under Section 3.11, and (v) disputes regarding the validity, scope or enforceability of the intellectual property rights granted under Article 2 or the confidentiality obligations under Article 11, if any dispute between the Parties relating to or arising out of this Agreement, the formation, construction, breach or termination hereof, or the rights, duties or liabilities of either Party hereunder, cannot be resolved in accordance with Section 14.1, it shall be finally resolved through binding arbitration under the [*] of [*] (the "[*] **Rules**") applicable at the time of the notice of arbitration as set forth in this Section 14.2.

(a) A Party may submit such dispute to arbitration by notifying the other Party, in writing, of such dispute. Unless the Parties can agree to a single arbitrator, each such arbitration shall be conducted by a panel of three (3) neutral arbitrators, appointed as follows. One neutral arbitrator shall be chosen by BMS and one neutral arbitrator shall be chosen by ZAI within thirty (30) days after receipt of such notice. The third arbitrator shall be selected by the [*] office of [*] in accordance with the list system specified in the [*] Rules, or, if such office does not exist or is unable to make a selection, by the office of [*] nearest to [*]. The arbitrators shall be knowledgeable and experienced in the Applicable Law concerning the subject matter of the dispute. In any case none of the arbitrators shall be an Affiliate, employee, consultant, officer, director or stockholder of either Party, or otherwise have any current or previous relationship with either Party or their respective Affiliates. The seat of the arbitration shall be [*]. The language of the arbitration shall be English.

(b) Within thirty (30) days after the designation of the arbitrators, the arbitrators and the Parties shall meet, and each Party shall provide to the arbitrators a written summary of all disputed issues, such Party's position on such disputed issues and such Party's proposed ruling on the merits of each such issue.

(c) The arbitrators shall set a date for a hearing, which shall be no later than thirty (30) days after the submission of written proposals pursuant to Section 14.2(b), for the presentation of evidence and legal argument concerning each of the issues identified by the Parties. The Parties shall have the right to be represented by counsel. The Federal Rules of Evidence shall apply with regard to the admissibility of evidence in such hearing.

(d) The arbitrators shall use their best efforts to rule on each disputed issue within thirty (30) days after completion of the hearing described in Section 14.2(c). The arbitration award shall be final and binding upon all Parties. All rulings of the arbitrators shall be in writing and shall be delivered to the Parties except to the extent that the [*] Rules provide otherwise. Nothing contained herein shall be construed to permit the arbitrator to award punitive, exemplary or any similar damages.

(e) The (i) attorneys' fees of the Parties in any arbitration, (ii) fees of the arbitrators and (iii) costs and expenses of the arbitration shall be borne by the Parties in a proportion determined by the arbitrator.

(f) Judgment upon any arbitration award may be entered in any [*] court.

(g) Nothing in this Article 14 shall prevent either Party from applying to a court that would otherwise have jurisdiction for provisional or interim measures that may be necessary to avoid irreparable harm, maintain the status quo or preserve the subject matter of the arbitration, including any breach or threatened breach of Sections 11.1 or 13.4.

15. MISCELLANEOUS

15.1 Severability. If any one or more of the provisions of this Agreement is held to be invalid or unenforceable, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

15.2 Notices. Any notice required or permitted to be given by this Agreement shall be in writing and shall be delivered by hand or overnight courier with tracking capabilities or mailed postage prepaid by first class, registered or certified mail addressed as set forth below unless changed by notice so given:

If to ZAI:

Zai Lab (Hong Kong) Limited
1000 Zhangheng Road, Bldg.65
Zhangjiang Hi-tech Park, Pudong New Area
Shanghai, China 201203
Attention: Marietta Wu
Telephone: [*]
Facsimile: [*]

With a copy to:

Lila Hope, Ph,D.
Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304-1130
Telephone: [*]
Fax: [*]

If to BMS:

Bristol-Myers Squibb Company
P.O. Box 4000
Route 206 & Province Line Road
Princeton, New Jersey 08543-4000
USA
Attention: Vice President, Business Development
Telephone: [*]
Facsimile: [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

With a copy to:

Bristol-Myers Squibb Company
P.O. Box 4000
Route 206 & Province Line Road
Princeton, New Jersey 08543-4000
USA
Attention: VP & Assistant General Counsel, Business Development
Telephone: [*]
Facsimile: [*]

Any such notice shall be deemed given on the date received. A Party may add, delete, or change the person or address to whom notices should be sent at any time upon written notice delivered to the Party's notices in accordance with this Section 15.2.

15.3 Force Majeure. Neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including, without limitation, acts of God, fires, earthquakes, strikes and labor disputes, acts of war, terrorism, civil unrest or intervention of any governmental authority ("**Force Majeure**"); *provided*, *however*, that the affected Party promptly notifies the other Party and further *provided* that the affected Party shall use its commercially reasonable efforts to avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.

15.4 Assignment. Neither Party may assign this Agreement to a Third Party without the other Party's prior written consent (which shall not be unreasonably withheld); provided that (1) a Party may make such an assignment without the other Party's consent to an Affiliate (other than an Affiliate [*], which shall require the consent of the other Party) or a successor to substantially all of the business of such Party to which this Agreement relates (whether by merger, sale of stock, sale of assets or other transaction); and (2) in any case, the assigning Party shall be responsible for any adverse tax or other financial impact on the other Party as a result of such assignment. This Agreement shall inure to the benefit of and be binding on the Parties' successors and permitted assigns. Any assignment or transfer in violation of this Section 15.4 shall be null and void and wholly invalid, the assignee or transferee in any such assignment or transfer shall acquire no rights whatsoever, and the non-assigning non-transferring Party shall not recognize, nor shall it be required to recognize, such assignment or transfer.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

15.5 Further Assurances. Each Party agrees to do and perform all such further acts and things and shall execute and deliver such other agreements, certificates, instruments and documents necessary or that the other Party may deem advisable in order to carry out the intent and accomplish the purposes of this Agreement and to evidence, perfect or otherwise confirm its rights hereunder.

15.6 Waivers and Modifications. The failure of any Party to insist on the performance of any obligation hereunder shall not be deemed to be a waiver of such obligation. Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other breach of such provision or any other provision on such occasion or any succeeding occasion. No waiver, modification, release or amendment of any obligation under or provision of this Agreement shall be valid or effective unless in writing and signed by all Parties hereto.

15.7 Choice of Law. This Agreement shall be governed by, enforced, and shall be construed in accordance with the laws of [*] without regard to its conflicts of law provisions.

15.8 Jurisdiction. Unless the Parties otherwise agree in writing, each Party, for the purpose of enforcing an arbitration agreement or award under Section 14.2, (i) in the United States, hereby irrevocably submits to the exclusive jurisdiction of the United States District Court for the [*] (the "**District Court**") and (ii) elsewhere in the world, in any court of competent jurisdiction. Each Party further agrees that service of any process, summons, notice or document by personal delivery, by registered mail, or by a recognized international express delivery service to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding to which it has submitted to jurisdiction in this Section. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the District Court, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

15.9 Publicity. Neither Party shall issue any press release or public statement disclosing the existence of this Agreement or any other information relating to this Agreement, the other Party, or the transactions contemplated hereby without the prior written consent of the other Party, *provided*, *however*, that any disclosure which is required by Applicable Law or the rules of a securities exchange, as reasonably advised by the disclosing Party's counsel, may be made subject to the following. The Parties agree that any such required disclosure will not contain confidential business or technical information and, if disclosure of confidential business or technical information is required by Applicable Law, the Parties will use appropriate diligent efforts to minimize such disclosure and obtain confidential treatment for any such information which is disclosed to a governmental agency. Each Party agrees to provide to the other Party a copy of any public announcement regarding this Agreement or the subject matter thereof as soon as reasonably practicable under the circumstances prior to its scheduled release. Except under extraordinary circumstances, or as otherwise required under Applicable Law or the rules of a securities exchange, each Party shall provide the other with an advance copy of any such announcement at least five (5) business days prior to its scheduled release. Each Party shall have the right to expeditiously review and recommend changes to any such announcement and, except as otherwise required by Applicable Law or the rules of a securities exchange, the Party whose announcement has been reviewed shall remove any Confidential Information of the reviewing Party that the reviewing Party reasonably deems to be inappropriate for disclosure. The contents of any announcement or similar publicity

which has been reviewed and approved by the reviewing Party can be re-released by either Party without a requirement for re-approval. Nothing in this Section 15.9 shall be construed to prohibit ZAI or its Affiliates or Sublicensees from making a public announcement or disclosure regarding the stage of development of Licensed Product(s) in ZAI's (or its Affiliates' or Sublicensees') product pipeline or disclosing clinical trial results regarding such Licensed Product(s), as may be required by Applicable Law or the rules of a securities exchange, as reasonably advised by ZAI's (or its Affiliates' or Sublicensees') counsel.

15.10 No Use of Debarred Person. Each Party hereby certifies to the other that it has not used, and will not use the services of any person debarred, or subject to debarment proceedings, under 21 U.S.C. § 335a, as amended (or any similar provision under other Applicable Law providing for debarment by a Regulatory Authority), in any capacity in connection with any of the services or work provided under any clinical trial conducted for or on behalf of such Party or any of its Affiliates and that this certification may be relied upon in any applications to the FDA or any other Regulatory Authority. It is understood and agreed that this certification imposes a continuing obligation upon each Party to notify the other promptly of any change in the truth of this certification. Upon request by a Party, the other Party agrees to provide a list of persons used to perform the services or work provided under any clinical trial conducted for or on behalf of such Party or any of its Affiliates pursuant to this Agreement who, within the five (5) years preceding the Effective Date of this Agreement, or subsequent to such Effective Date, were or are convicted of one of the criminal offenses required by 21 U.S.C. § 335a, as amended (or any similar provisions under other Applicable Law providing for debarment by a Regulatory Authority), to be listed in any application for approval of an abbreviated application for drug approval.

15.11 Relationship of the Parties. Each Party is an independent contractor under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute BMS and ZAI as partners, agents or joint venturers. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any Third Party.

15.12 Headings. Headings and captions are for convenience only and are not be used in the interpretation of this Agreement.

15.13 Entire Agreement. This Agreement (including all Appendices attached hereto, which are incorporated herein by reference) (i) sets forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto, (ii) constitutes and contains the complete, final and exclusive understanding and agreement of the Parties with respect to the subject matter herein and (iii) cancels, supersedes and terminates all prior agreements (including the Prior CDA) and understanding between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, whether oral or written, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

15.14 Counterparts. This Agreement may be executed in counter-parts with the same effect as if both Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

15.15 Exports. ZAI agrees not to export or re-export, directly or indirectly, any information, technical data, any direct product of such data, any samples or equipment received or generated under this Agreement in violation of any applicable export control Applicable Law.

15.16 Registration. If required by Applicable Law, ZAI shall be responsible for the registration of this Agreement with all applicable Regulatory Authorities in the Partner Territory. BMS shall fully cooperate with ZAI in obtaining any such registrations, including providing relevant documents required by the applicable Regulatory Authorities in the Partner Territory. Upon successful registration of this Agreement with each applicable Regulatory Authority in the Partner Territory, ZAI shall promptly forward to BMS copies of any registration certificates as well as any other documentation received by ZAI.

15.17 Interpretation.

(a) Each of the Parties acknowledges and agrees that this Agreement has been diligently reviewed by and negotiated by and between them, that in such negotiations each of them has been represented by competent counsel and that the final agreement contained herein, including the language whereby it has been expressed, represents the joint efforts of the Parties hereto and their counsel. Accordingly, in interpreting this Agreement or any provision hereof, no presumption shall apply against any Party hereto as being responsible for the wording or drafting of this Agreement or any such provision, and ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision. The English language version of this Agreement shall control any interpretations of the provisions of this Agreement.

(b) The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation” whether or not such phrase is included. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “any” shall mean “any and all” unless otherwise clearly indicated by context. The words “day”, “quarter” or “year” means a calendar day, quarter or year, as applicable, unless otherwise specified.

(c) Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (b) any reference to any Applicable Law (including any European Community Directives) herein shall be construed as referring to such Applicable Law as from time to time enacted, repealed or amended, (c) any reference herein to any person shall be construed to

include the person's successors and assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Articles, Sections or Appendices, unless otherwise specifically provided, shall be construed to refer to Articles, Sections and Appendices of this Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

IN WITNESS WHEREOF, the Parties have caused this License Agreement to be executed by their respective duly authorized officers.

ZAI LAB (HONG KONG) LIMITED

By: /s/ Ying Du
Name: Ying Du
Title: CEO

BRISTOL-MYERS SQUIBB COMPANY

By: /s/ Graham R. Brazier
Name: Graham R. Brazier
Title: Vice President, Business Development

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Appendix 1

Initial Partner Development Plan

[*] (4 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Schedule 1.7

BMS Patent Rights

Country	Docket No.	Filing No.	Filing Date	Grant No.	Grant Date	Patent Type
[*]	[*]	[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Schedule 3.1

Initial JDC Members

Initial JDC Member from ZAI: [*]

Initial JDC Member from BMS: **[*]**

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.4

LICENSE AND COLLABORATION AGREEMENT

This **License and Collaboration Agreement** (this "**Agreement**") is made as of April 21, 2017 (the "**Effective Date**"), by and between **Paratek Bermuda Ltd.** a corporation organized and existing under the laws of Bermuda, located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, ("**Paratek**"), and **Zai Lab (Shanghai) Co., Ltd.**, an exempted company organized and existing under the laws of P.R. of China, located at 1043 Halei Road, Building 8, Suite 502, Zhangjiang Hi-tech Park, Shanghai, PRC 201203 ("**Zai**"). Paratek and Zai are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Paratek is a pharmaceutical company specializing in anti-infective drug development, and Paratek and its Affiliates own or control rights to the Compound and Licensed Product (as defined herein);

WHEREAS, Zai is a pharmaceutical company having experience in the development, manufacture and commercialization of pharmaceutical products in the Territory;

WHEREAS, Zai is prepared to develop and commercialize the Licensed Product in the Territory, providing it receives supporting materials such as clinical trial data, regulatory submissions, and starting materials that may allow for earlier market entry and market exclusivity of the Licensed Product compared to competitors;

WHEREAS, Paratek wishes to have Licensed Product developed and commercialized in the Territory, and is prepared to provide supporting materials such as clinical trial data, regulatory submissions, and starting materials to Zai, which may allow for earlier market entry and market exclusivity for the Licensed Product compared to competitors.

WHEREAS, Paratek wishes to grant to Zai, and Zai wishes to be granted, an exclusive license under Paratek's rights to Develop, Manufacture and Commercialize (each as defined herein) the Licensed Product in the Field in the Territory (each as defined herein) in accordance with the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, will have the respective meanings set forth below:

1.1. "Activity Target" will have the meaning set forth in Section 5.3.

1.2. "Activity Target Deadline" will have the meaning set forth in Section 5.3.

1.3. "Adverse Event" means any unwanted or harmful medical occurrence in a patient or subject who is administered a Licensed Product, whether or not considered related to such Licensed Product, including any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such Licensed Product.

1.4. "Affiliate" means, with respect to a Party, any entity that directly or indirectly controls, is controlled by or is under common control with such Party. As used in this Section 1.4, "Control" (and, with correlative meanings, the terms "controlled by" and "under common control with") means, in the case of a corporation, the ownership of 50% or more of the outstanding voting securities thereof or, in the case of any other type of entity, an interest that results in the ability to direct or cause the direction of the management and policies of such party or the power to appoint 50% or more of the members of the governing body of the party or, where ownership of 50% or more of such securities or interest is prohibited by law, ownership of the maximum amount legally permitted.

1.5. "Agreement" will have the meaning set forth in the introduction to this agreement.

1.6. "Alliance Manager" will have the meaning set forth in Section 3.1.

1.7. "Anti-Corruption Laws" will have the meaning set forth in Section 11.6(a)(i).

1.8. "Applicable Laws" means all statutes, ordinances, regulations, rules or orders of any kind whatsoever of any Governmental Authority that may be in effect from time to time and applicable to the activities contemplated by this Agreement.

1.9. "Biodefense" means a use related to the defense from Biothreat Agents.

1.10. "Biothreat Agent" means (a) pathogens that cause a high rate of illness in people exposed, result in a high rate of mortality, have a short incubation period, and have a limited number of persons with immunity, or (b) a bacterium, virus, protozoan, parasite, or fungus that can be used as a weapon in biological warfare.

1.11. "Business Day" means a day other than Saturday, Sunday or any day on which banks located in the United States or the PRC are authorized or obligated to close. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless Business Days are specified.

1.12. "Calendar Quarter" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.13. "Calendar Year" means each 12 month period commencing on January 1.

1.14. "CFDA" means the China Food and Drug Administration, and local counterparts thereto, and any successor agency(ies) or authority thereto having substantially the same function.

1.15. "cGMP" means all applicable current Good Manufacturing Practices including, as applicable, (a) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Directive 2003/94/EC and Eudralex 4, (c) the principles detailed in the ICH Q7 guidelines, and (d) the equivalent Applicable Laws in any relevant country or region, each as may be amended and applicable from time to time.

1.16. "Clinical Trial" means any clinical testing of Licensed Product in human subjects.

1.17. "Clinical Trial Material" means Licensed Product and placebo for administration to humans in a Clinical Trial.

1.18. "CMC" means data, information, or procedures (as applicable) relating to the composition, Manufacture, or control of the Compound or Licensed Product, which may be requested or required by a Regulatory Authority for Regulatory Approval, including but not limited to data, information, and procedures relating to structure, Manufacturing process, validation, characterization, container closure systems, stability, quality, and purity.

1.19. "Combination Product" mean (a) any single product comprising both (i) a Compound and (ii) one or more other therapies or pharmaceutically active compounds or substances and do not require the use of any Paratek Technology; (b) any sale of a Licensed Product with another therapy(ies) or product(s) for a single invoice price; or (c) any sale of a Licensed Product as part of a bundle with other therapy(ies), product(s) or service(s) (i.e., where a Licensed Product and such other therapy(ies), product(s) or service(s) are sold for a single invoice price or where a discount, rebate or other amount that reduces the price of a Licensed Product is provided in exchange for (or otherwise conditioned upon) the purchase of such other therapy(ies), product(s) or services), to the extent not described in clause (a) or (b**)**. The Compound portion of any Combination Product shall be deemed the "**Licensed Component**" and the other portion of such Combination Product the "**Other Component**", and each Combination Product shall be deemed a Licensed Product hereunder.

1.20. "Commercialization" or "**Commercialize**" means all activities directed to marketing, distribution, detailing or selling of pharmaceutical products (including manufacturing, importing and exporting activities in connection therewith**)**.

1.21. "Commercialization Plan" means the written plan for the Commercialization of the Licensed Product.

1.22. "Commercially Reasonable Efforts" means the use of diligent, good faith efforts and resources, in an active and ongoing program, as normally used by a similarly situated company for a product discovered or identified internally that is important to such company's overall strategy or objectives, which product is at a similar stage in its development or product life and is of similar market potential and intellectual property protection, [*]; and in no event will such efforts and resources be less than the applicable Party would apply to achieve its own high priority goals. Commercially Reasonable Efforts requires that a Party, at a minimum, assign responsibility for such obligations to qualified employees, set annual goals and objectives for carrying out such obligations, and allocate adequate resources designed to meet such goals and objectives, in each case, in order to develop the Licensed Product as an active and ongoing program, and obtain Regulatory Approval for the Licensed Product in the Territory in an expeditious manner. Additionally, Commercially Reasonable Efforts requires [*] such efforts and resources as described above [*] for the Licensed Product, which includes [*] for the Licensed Product [*].

1.23. "Compound" means (i) omadacycline having the chemical structure set forth in Schedule 1.23, (ii) a prodrug or metabolite of the compound specified in (i), and (iii) any salt or polymorph of the compound specified in (i**)**.

1.24. "Confidential Information" means all confidential information of the Disclosing Party or its Affiliates, regardless of its form or medium as provided to the Receiving Party or its Affiliates in connection with this Agreement; provided that, Confidential Information will not include any information that the Receiving Party can show by competent evidence: (a) is already known to the Receiving Party at the time it is disclosed to the Receiving Party by the Disclosing Party without an obligation of confidentiality and not through a prior disclosure by the Disclosing Party, (b) is or becomes generally known to the public through no act or omission of the Receiving Party in violation of the terms of this Agreement, (c) has been lawfully received by the Receiving Party from a Third Party without restriction on its disclosure and without, to the knowledge of the Receiving Party, a breach by such Third Party of an obligation of confidentiality to the Disclosing Party, or (d) has been independently developed by the Receiving Party without use of or reference to the Confidential Information of the Disclosing Party. The terms of this Agreement shall be the Confidential Information of both Parties.

1.25. "Continuing Technology Transfer" will have the meaning set forth in Section 4.1.

1.26. "Control" or "Controlled" means, with respect to any Know-How, Patents or other intellectual property rights, that a party has the legal authority or right (whether by ownership, license or otherwise) to grant a license, sublicense, access or right to use (as applicable) under such Know-How, Patents, or other intellectual property rights, on the terms and conditions set forth herein, in each case without breaching the terms of any agreement with a Third Party.

1.27. "Develop" or "**Development**" or "**Developing**" means research, discovery, and preclinical and clinical drug or biological development activities, including test method development and stability testing, toxicology, formulation, quality assurance/quality control development, statistical analysis, preclinical and clinical studies and regulatory affairs, approval and registration.

1.28. "Development Plan" will have the meaning set forth in Section 5.2.

1.29. "Disclosing Party" will have the meaning set forth in Section 10.1(a).

1.30. "Dispute" will have the meaning set forth in Section 15.1.

1.31. "Effective Date" will have the meaning set forth in the introduction in this Agreement.

1.32. "Executive Officers" will have the meaning set forth in Section 3.2(f).

1.33. "Exploit" or "**Exploitation**" or "**Exploiting**" means to use, Develop and Commercialize, including to have Developed and have Commercialized, and to Manufacture and to have Manufactured to support the foregoing.

1.34. "Field" means, except for Biodefense, all human therapeutic and preventative uses.

1.35. "First Commercial Sale" means, with respect to any Licensed Product, the first arm's length sale of such Licensed Product to a Third Party in a region of the Territory by Zai, its Affiliate(s) or Sublicensee(s) for use or consumption in such region following Regulatory Approval. Sales prior to receipt of marketing and pricing approvals, such as so-called "treatment IND sales," "named patient sales" and "compassionate use sales" and any sales to any government, foreign or domestic, including purchases for immediate sale and/or stockpiling purposes, are not a First Commercial Sale in that region.

1.36. "FTE" means the equivalent of the work of a full-time individual for a 12 month period.

1.37. "FTE Rate" means a rate of [*] per FTE per year, to be pro-rated on a hourly basis of [*] per FTE per hour, assuming [*] hours per year for an FTE.

1.38. "GAAP" means United States generally accepted accounting principles, consistently applied.

1.39. "GCP" means all applicable Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of clinical trials, including, as applicable (a) as set forth in the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonized Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for trials on medicinal products in the Territory, (b) the Declaration of

Helsinki (2004) as last amended at the 52nd World Medical Association in October 2000 and any further amendments or clarifications thereto, (c) U.S. Code of Federal Regulations Title 21, Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards) and 312 (Investigational New Drug Application), as may be amended from time to time, and (d) the equivalent Applicable Laws in the region in the Territory, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

1.40. "GLP" means all applicable Good Laboratory Practice standards, including, as applicable, as set forth in the then current good laboratory practice standards promulgated or endorsed by the U.S. Food and Drug Administration as defined in 21 C.F.R. Part 58, or the equivalent Applicable Laws in the region in the Territory, each as may be amended and applicable from time to time.

1.41. "Governmental Authority" means any court, commission, authority, department, ministry, official or other instrumentality of, or being vested with public authority under any law of, any country, region, state or local authority or any political subdivision thereof, or any association of countries.

1.42. "GSP" means all applicable Good Supply Practice standards, including, as applicable, as set forth in the then current good supply practice standards promulgated or endorsed by the CFDA as defined in Good Supply Practice for Pharmaceutical Products or the equivalent Applicable Laws in the region in the Territory, each as may be amended and applicable from time to time.

1.43. "[*]" will have the meaning set forth in Section [*].

1.44. "Imported Product Agreement" will have the meaning set forth in Section 7.1.

1.45. "IND" means an investigational new drug application or equivalent application filed with the applicable Regulatory Authority, which application is required to commence Clinical Trials in the applicable country.

1.46. "Indemnifying Party" will have the meaning set forth in Section 12.3.

1.47. "Indemnitee" will have the meaning set forth in Section 12.3.

1.48. "Initial Development Plan" will have the meaning set forth in Section 5.2.

1.49. "Initial Technology Transfer" will have the meaning set forth in Section 4.1.

1.50. "Invention" will mean any process, method, composition of matter, article of manufacture, discovery or finding, patentable or otherwise, that is invented as a result of a Party exercising its rights or carrying out its obligations under this Agreement, including all rights, title and interest in and to the intellectual property rights therein.

1.51. "IP Transfer Agreement" means the Intellectual Property Transfer Agreement between Paratek Pharmaceuticals, Inc. and Paratek Bermuda Ltd. dated June 6, 2016, as amended by the First Amendment dated February 27, 2017 and as may be further amended from time to time.

1.52. "Joint Development Committee" or "JDC" will have the meaning set forth in Section 3.3(b)(i).

1.53. "Joint Inventions" will have the meaning set forth in Section 13.1(b).

1.54. "Joint Patents" will have the meaning set forth in Section 13.1(b).

1.55. "Joint Steering Committee" or "JSC" will have the meaning set forth in Section 3.2(a).

1.56. "Know-How" means any proprietary scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including databases, safety information, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data including pharmacological, medicinal chemistry, biological, chemical, biochemical, toxicological and clinical test data, analytical and quality control data, stability data, studies and procedures, and manufacturing process and development information, results and data.

1.57. "Licensed Product" means any pharmaceutical product containing the Compound, either alone or in combination with other active ingredients.

1.58. "Losses" will have the meaning set forth in Section 12.1.

1.59. "Manufacture" or "**Manufacturing**" or "**Manufactured**" means all operations involved in the manufacturing, filling and finishing, quality control testing (including in-process, release and stability testing, if applicable), storage, releasing and packaging.

1.60. "Material Sublicense" means a sublicense granted, or desired to be granted, by Zai to (a) [*], but not [*], or (b) [*], and/or [*].

1.61. "Material Sublicensee" means a Third Party, or Affiliates granted, or for which Zai desires to grant, a Material Sublicense.

1.62. "Materials" means reference and starting materials including the active pharmaceutical ingredient (API) or other materials as may be defined by the Parties.

1.63. "Milestone Event" will have the meaning set forth in Section 9.3.

1.64. "Milestone Payment" will have the meaning set forth in Section 9.3.

1.65. "Net Sales" means the gross price billed or invoiced on sales of the Licensed Product by Zai, its Affiliates, or Sublicensees for sale of the Licensed Product to a Third Party in the Territory, less:

(a) freight expense (actual), including insurance, to the extent it is not charged to or reimbursed by the customer, [*];

(b) cash, trade or quantity discounts actually granted and deducted solely on account of sales of the Licensed Product;

(c) rebates actually paid to individual or group purchasers of the Licensed Product that are solely on account of the purchase of such Licensed Product;

(d) credits issued for the Licensed Product recalled or not accepted by customers or other refunds, allowances and chargebacks related to the Licensed Product;

(e) Taxes (including, but not limited to sales, value added, consumption and similar taxes; but excluding income taxes) actually incurred, paid or collected and remitted to the relevant tax authority for the sale of the Licensed Product; and

(f) other similar or customary deductions taken in the ordinary course of business or in accordance with GAAP;

Each of the amounts set forth above will be determined from the books and records of Zai, its Affiliate or Sublicensee, maintained in accordance with GAAP or in the case of Sublicensees, such similar accounting principles, consistently applied.

The transfer of a Licensed Product to an Affiliate, Sublicensee, or other Third Party (w) in connection with the research, development or testing of a Licensed Product (including, without limitation, the conduct of clinical studies), (x) for purposes of distribution as promotional samples, (y) for indigent or similar public support or compassionate use programs, or (z) by and between Zai and its Affiliates or Sublicensees will not, in any case, be considered a Net Sale of a Licensed Product under this Agreement.

Net Sales will also include and be deemed to have been made with respect to any Licensed Products used by Zai or any Affiliate, for its own commercial purposes, or transferred to any Third Party for less than the transferee is then charging in normal arms-length sales transactions; and Net Sales in all such cases will be deemed to have been made at the prices therefor at which such Licensed Products are then being sold to the customers of such user or transferor (or of Zai, if an Affiliate is a user but not a seller) in arms-length sales transactions. For clarity, in the event the Product is sold in an arms-length transaction to a governmental agency, a group purchase entity and/or any other entity having the bargaining power to negotiate the purchase price below normal retail price in transactions of lesser volume, Net Sales shall be calculated based on the actual price negotiated and agreed to for such agency and/or entity and not be based on the price charged in other arms-length sales transactions.

If Zai or any of its Affiliates, or Sublicensees, sells a Licensed Product as a Licensed Component of a Combination Product in the Territory in any Calendar Quarter, then Net Sales will be calculated by multiplying the Net Sales of the Combination Product during such Calendar Quarter by the fraction A/(A+B), where A is the average Net Sales per unit sold of the Licensed Component when sold separately in the Territory during such Calendar Year (calculated by

determining the Net Sales of the Licensed Component during such Calendar Quarter in accordance with the definition of Net Sales set forth herein and dividing such Net Sales by the number of units of the Licensed Component during such Calendar Quarter) and B is the average Net Sales per unit sold of the Other Component(s) included in the Combination Product when sold separately during such Calendar Quarter (calculated by determining the Net Sales of such Other Component(s) sold during such Calendar Quarter by applying the definition of Net Sales set forth herein as if it applied to sales of such Other Component(s) and dividing such Net Sales by the number of units of such Other Component(s) sold during such Calendar Quarter).

For purposes of calculating the average Net Sales per unit sold of a Licensed Component and Other Component(s) of a Combination Product, any of the deductions described herein that apply to such Combination Product will be allocated among sales of the Licensed Component and sales of the Other Component(s) included in such Combination Product as follows: (1) deductions that are attributable solely to the Licensed Component or one of the Other Component(s) will be allocated solely to Net Sales of the Licensed Component or such Other Component, as applicable, and (2) all other deductions will be allocated among sales of the Licensed Component and sales of the Other Component(s) in proportion to Zai's and Paratek's mutual agreement of the fair market value of the Licensed Component and the Other Component(s).

In the event that no separate sales of the Licensed Component or any Other Component(s) included in a Combination Product are made by Zai or its Affiliates, or Sublicensees, during a Calendar Quarter in which such Combination Product is sold, the average Net Sales per unit sold in the above described equation will be replaced with Zai's and Paratek's mutual agreement of the fair market value of the Licensed Component and each of the Other Component(s) included in such Combination Product.

1.66. "Paratek" will have the meaning set forth in the introduction of this Agreement.

1.67. "Paratek Indemnitee(s)" will have the meaning set forth in Section 12.1.

1.68. "Paratek Know-How" means any and all Know-How Controlled by Paratek, as of the Effective Date or during the Term, that is reasonably necessary or useful in connection with the Exploitation of the Licensed Product in the Field in the Territory.

1.69. "Paratek Patents" means Patents in the Territory Controlled by Paratek as of the Effective Date or during the Term that contain one or more claims that cover the composition of matter or formulation of, or salt of or polymorph forms of, or the method of making or method of using, a Licensed Product, including all Patents which contain a Valid Claim that the Exploitation of a Licensed Product would infringe if unlicensed. The Paratek Patents as of the Effective Date are listed in Schedule 1.69, which shall be updated by the Parties from time to time during the Term.

1.70. "Paratek Prosecution Patents" will have the meaning set forth in Section 13.3(a).

1.71. "Paratek Technology" means the Paratek Know-How, Paratek Patents, Paratek's interest in Joint Inventions, and Paratek's interest in Joint Patents.

1.72. "Party" or **"Parties"** will have the meaning set forth in the introduction to this Agreement.

1.73. "Patent Prosecution" means the responsibility and authority for (a) preparing, filing and prosecuting applications (of all types) for any Patent, (b) managing any interference, opposition, re-issue, reexamination, invalidation proceedings, revocation, nullification, or cancellation proceeding relating to the foregoing, (c) deciding to abandon Patent(s), (d) listing in regulatory publications (as applicable), (e) patent term extension, and (f) settling any interference, opposition, revocation, nullification or cancellation proceeding.

1.74. "Patents" means all national, regional and international patents and patent applications, including divisions, continuations, continuations-in-part, additions, re-issues, renewals, extensions, substitutions, re-examinations or restorations, registrations and revalidations, and supplementary protection certificates and equivalents to any of the foregoing.

1.75. "Phase III Clinical Study" means any pivotal Clinical Trial(s), which Clinical Trial(s) is(are) designed to (a) establish that the Licensed Product is safe and efficacious for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; (c) be a pivotal study for submission of an Regulatory Approval Application to obtain regulatory approval for such Licensed Product in any region or regulatory jurisdiction, as defined in 21 C.F.R. § 312.21(c), as may be amended from time to time, or any analogous clinical trial described or defined in Applicable Laws.

1.76. "PRC" means the People's Republic of China, which for the purposes of this Agreement will exclude Hong Kong, Macau, and Taiwan.

1.77. "Prime Rate" means for any day a per annum rate of interest equal to the "prime rate," as published in the "Money Rates" column of The Wall Street Journal, from time to time, or if for any reason such rate is no longer available, a rate equivalent to the base rate on corporate loans posted by at least 70% of the ten largest U.S. banks.

1.78. "Product Infringement" will have the meaning set forth in Section 13.5(a).

1.79. "Product Marks" will have the meaning set forth in Section 8.4.

1.80. "Product Specifications" means the acceptance criteria agreed by the Parties, including numerical limits, ranges or other criteria for the Licensed Product.

1.81. "Public Official" will have the meaning set forth in Section 11.6(d).

1.82. "Receiving Party" will have the meaning set forth in Section 10.1(a).

1.83. "Regulatory Approval" means, with respect to a Licensed Product in a region in the Territory, all approvals from the necessary Governmental Authority or Regulatory Authority to manufacture, import, market and sell such Licensed Product in such region in the Territory (excluding pricing and reimbursement approvals**)**.

1.84. "Regulatory Approval Application" means a New Drug Approval Application or Biologics License Application (each, as defined in the U.S. Federal Food, Drug and Cosmetic Act (21 U.S.C. §301 et seq.), as amended from time to time) in the U.S., or any corresponding application for approval to market and/or sell a product in any country, region or jurisdiction in the Territory outside the U.S.

1.85. "Regulatory Authority" means any applicable Government Authority responsible for granting Regulatory Approvals for Licensed Products, including the CFDA, and any corresponding national or regional regulatory authorities.

1.86. "Regulatory Submissions" means any filing, application, or submission with any Regulatory Authority, including authorizations, approvals or clearances arising from the foregoing, including Regulatory Approvals, and all correspondence or communication with or from the relevant Regulatory Authority, as well as minutes of any material meetings, telephone conferences or discussions with the relevant Regulatory Authority, in each case, with respect to a Licensed Product.

1.87. "Remedial Action" will have the meaning set forth in Section 6.8.

1.88. "Retained Rights" will have the meaning set forth in Section 2.3.

1.89. "ROFN Compound" will have the meaning set forth in Section 2.2.

1.90. "ROFN Negotiation Period" will have the meaning set forth in Section 2.2.

1.91. "ROFN Notice Period" will have the meaning set forth in Section 2.2.

1.92. "ROFN Trigger Notice" will have the meaning set forth in Section 2.2.

1.93. "Royalty Payment" will have the meaning set forth in Section 9.4(a).

1.94. "Royalty Term" will have the meaning set forth in Section 9.4(c).

1.95. "Safety Agreement" will have the meaning set forth in Section 6.4(a).

1.96. "Sole Inventions" will have the meaning set forth in Section 13.1(b).

1.97. "Subcommittee" will have the meaning set forth in Section 3.2(b).

1.98. "Sublicensee" means a Third Party, or Zai's Affiliates granted a sublicense by Zai under the license granted in Section 2.1. For the avoidance of doubt, a Material Sublicensee is a type of Sublicensee.

1.99. "Tax" or **"Taxes"** means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including any interest thereon**)**. For the avoidance of doubt, Taxes includes VAT.

1.100. "Technology Transfer" will have the meaning set forth in Section 4.1.

1.101. "Technology Transfer Plan" will have the meaning set forth in Section 4.1.

1.102. "Term" will have the meaning set forth in Section 14.1.

1.103. "Territory" means the PRC, Hong Kong, Macau, and Taiwan (which for purposes of this Agreement will each be deemed a region**)**.

1.104. "Third Party" means an entity other than (a) Zai and its Affiliates or (b) Paratek and its Affiliates.

1.105. "Tufts Agreement" means the Tufts University License Agreement executed between Paratek Pharmaceuticals, Inc. and Tufts University dated February 1, 1997, as amended from time to time.

1.106. "U.S. Dollars" or "**$**" means United States dollars, the lawful currency of the United States.

1.107. "Upfront Payment" will have the meaning set forth in Section 9.2.

1.108. "Valid Claim" means (a) a claim of an issued and unexpired Patent included within the Paratek Patents with regard to the Licensed Product in the Territory that has not been permanently revoked or held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, which decision is not appealable or is not appealed within the time allowed for appeal, and has not been abandoned, disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise or (b) a bona fide claim of a pending patent application included within the Paratek Patents in the Territory that has not been (i) cancelled, withdrawn or abandoned without being refiled in another application in the applicable jurisdiction or (ii) finally rejected by an administrative agency action from which no appeal can be taken or that has not been appealed within the time allowed for appeal.

1.109. "VAT" means value-added taxes or other similar taxes.

1.110. "Zai" will have the meaning set forth in the introduction of this Agreement.

1.111. "Zai Indemnitee(s)" will have the meaning set forth in Section 12.2.

1.112. "Zai Know-How" means any and all Know-How, to the extent controlled by Zai as of the Effective Date or during the Term, that is reasonably necessary or useful in connection with the Exploitation of a Licensed Product in the Field in the Territory.

1.113. "Zai Patent" means Patents in the Territory controlled by Zai as of the Effective Date or during the Term that contain one or more claims that cover the composition of matter or formulation of, or salt of or polymorph forms of, or the method of making or method of using, a Licensed Product.

1.114. "Zai Prosecution Patents" will have the meaning set forth in Section 13.3(b).

1.115. "Zai Technology" means Zai Know-How and Zai Patents.

ARTICLE 2
LICENSES; NON-COMPETE

2.1. Exclusive License. Subject to the terms and conditions of this Agreement, Paratek hereby grants to Zai, during the Term, an exclusive (subject to the Retained Rights and Section 2.5(c)), royalty-bearing license under the Paratek Technology to Exploit the Licensed Product in the Field in the Territory, including the right to grant sublicenses (subject to Section 2.4). For the avoidance of doubt, the license granted pursuant to this Section 2.1 will extend only to the Paratek Technology Controlled by Paratek during the Term, and to the extent any Paratek Technology is no longer Controlled by Paratek, such Paratek Technology will no longer be licensed to Zai. For clarity, Zai has the right pursuant to this Section 2.1 and subject to Section 3.2(f) to Exploit the Licensed Product in the form of a Combination Product. For further clarity, Paratek will not grant a license after the Effective Date and during the Term that will diminish the Paratek Technology Controlled by Paratek that is exclusively licensed to Zai.

2.2. Right of First Negotiation. During the Term, if Paratek decides to seek a partner to Develop (with the right to Commercialize or the right to obtain or negotiate Commercialization rights) any derivative or modification of omadacycline (a "**ROFN Compound**") in the Territory, then Paratek will provide Zai with written notice of its decision to do so (the "**ROFN Trigger Notice**"). After Zai's receipt of the ROFN Trigger Notice, Zai will have [*] days (the "**ROFN Notice Period**") to provide written notice to Paratek of its desire to negotiate with Paratek regarding the partnership for such ROFN Compound. If Zai provides such written notice during the ROFN Notice Period, the Parties will negotiate exclusively for a period of [*] days following Paratek's receipt of such notice from Zai (the "**ROFN Negotiation Period**") regarding the terms of a definitive agreement. With respect to a ROFN Compound, if (a) Zai does not deliver written notice of its desire to negotiate with Paratek during the ROFN Notice Period or (b) the Parties are unable to reach terms of a definitive agreement during the ROFN Negotiation Period, then in either case (a) or (b), Paratek will have no further obligation to Zai with respect to such ROFN Compound in the Territory. For the avoidance of doubt, a ROFN Compound is a derivative or modification to omadacycline itself, and not other tetracyclines or derivatives or modifications to other tetracyclines.

2.3. Paratek Retained Rights. Notwithstanding anything to the contrary in this Agreement, Paratek hereby expressly retains, on behalf of itself (and its Affiliates, licensees, and sublicensees) the non-exclusive rights under the Paratek Technology to Manufacture the Compound and Licensed Product in the Territory in compliance with Applicable Laws and to support the Development and Commercialization of the Compound and Licensed Product outside of the Territory (the "**Retained Rights**"). Zai acknowledges and agrees that the Retained Rights includes the right for Paratek to grant licenses under the Retained Rights to its Affiliates and Third Parties in the Field in the Territory, provided that Paratek shall not, and shall obligate its Affiliates, licensees, and sublicensees to not, sell or offer for sale in the Territory any Licensed Product manufactured under the Retained Rights. In addition, Paratek shall obligate, and obligate that its Affiliates, licensees, and sublicensees obligate, any contract manufacturing organization in the Territory to comply with all Applicable Laws, including GMP, and ensure that any such contract manufacturing organization is not, and has not been, debarred or disqualified by any Regulatory Authority. For the avoidance of doubt, the Retained Rights

exclude the right under the Paratek Technology to Develop or Commercialize the Compound or Licensed Product in the Territory, and Paratek will not undertake such Development or Commercialization without Zai's express prior written consent. Zai hereby grants to Paratek a non-exclusive, royalty-free, fully paid-up, sublicensable license under the Zai Technology, solely to exercise the rights set forth in the Retained Rights.

2.4. Right to Sublicense.

(a) **General.** Zai will have the right to grant sublicenses under the license granted in Section 2.1 to Sublicensees, solely for such Sublicensees to perform Zai's obligations under this Agreement; provided that if such sublicense is (i) a sublicense of [*] under this Agreement, [*] such sublicense [*], and (ii) a Material Sublicense, then the additional provisions of Section 2.4(b) will also apply. Zai will be liable for Sublicensee conduct that is prohibited under this Agreement, and Sublicensee conduct that would have constituted a breach of this Agreement will be deemed a breach of this Agreement as if it had been engaged in by Zai.

(b) **Material Sublicenses**. [*] Material Sublicenses to a Material Sublicensee [*]. Notwithstanding the foregoing, the Parties agree that the Material Sublicensees set forth in Schedule 2.4(b) [*].

(c) **Restrictions.** Zai will not grant a sublicense to any Sublicensee that has been debarred or disqualified by a Regulatory Authority. Zai will ensure that, prior to engaging any Sublicensee that such Sublicensee is subject to written agreements containing the following terms and conditions: (i) requiring each such Sublicensee to protect and keep confidential any Confidential Information of the Parties, including in accordance with ARTICLE 10; (ii) providing that Paratek will have the right to audit (either by itself or through Zai or Zai's designee) the books and records of each such Sublicensee in accordance with this Agreement (including pursuant to Sections 8.6, 9.6(d), and 11.6(a)(iv)); (iii) that does not impose any payment obligations or liability on Paratek; and (iv) that is otherwise consistent with the terms of this Agreement. Zai will provide a copy of the complete executed agreement with each Sublicensee to Paratek, [*]. Zai will remain directly responsible for all of its obligations under this Agreement that have been delegated or sublicensed to any Sublicensee.

2.5. Tufts Agreement.

(a) Zai will, and will cause its Affiliates and Sublicensees to, be bound by and comply with all obligations that the Tufts Agreement states would apply to sublicenses or sublicensees of the Tufts Agreement, [*]. Zai's obligations in relation to the Tufts Agreement and the Sections of the Tufts Agreement stated above will be owed by Zai to Paratek and Tufts University and enforceable by both Paratek and Tufts University. Zai expressly permits Paratek to disclose to Tufts University (i) complete copies of agreements Zai enters into with Sublicensees and amendments thereto and (ii) any other information under this Agreement as needed to comply with the provisions of the Tufts Agreement.

(b) During the Term, Paratek will promptly furnish Zai with a copy of (i) the Tufts Agreement (with certain terms that do not apply to Zai redacted) and any relevant ancillary agreements, exhibits, schedules, or other documents which set forth and are sufficient to fully describe all the terms and conditions with which Zai must comply in relation to the Tufts Agreement, (ii) all amendments of the Tufts Agreement, and (iii) all correspondence (or in the case of oral discussions, a summary of such discussions) with or from and reports received from or provided to licensors under the Tufts Agreement to the extent material to Zai or the rights granted or to be granted to Zai under this Agreement. In addition, during the Term, Paratek will provide copies of all notices received by Paratek relating to any alleged breach or default by Paratek under the Tufts Agreement within five Business Days after Paratek's receipt thereof. Paratek will be solely responsible for all payment obligations set forth in the Tufts Agreement.

(c) Zai acknowledges and agrees that (i) Tufts University has the right to convert the License (as defined in the Tufts Agreement) from an exclusive license to a non-exclusive license and (ii) if Tufts University converts the License from an exclusive license to a non-exclusive license pursuant to Article VI of the Tufts Agreement, any rights with respect to the License sublicensed by Paratek to Zai (including any such rights sublicensed under Section 2.1) will become non-exclusive. For clarity, in such event the foregoing shall only affect Paratek Technology Controlled by Paratek pursuant to the Tufts Agreement, and the license granted by Paratek to Zai with respect to all other Paratek Technology shall in such an event remain exclusive.

2.6. No Implied Licenses; Negative Covenant. Except as set forth herein, neither Party will acquire any license or other intellectual property interest, by implication or otherwise, under any trademarks, patents or patent applications of the other Party. Each Party will not, and will not permit any of its Affiliates or sublicensees to, practice any Patent or Know-How licensed to it by the other Party outside the scope of the license granted to it under this Agreement.

2.7. Non-Compete. During the Term, Zai will not, and will cause its Affiliates and Sublicensees to not, engage in (independently or for or with any Third Party) any Commercialization in the Territory of (a) [*] or (b) [*]. Notwithstanding the foregoing clause (a), if [*], and [*], then the restriction set forth in clause (a) above shall not apply with respect to [*].

ARTICLE 3
GOVERNANCE

3.1. Alliance Managers. Within 30 days following the Effective Date, each Party will appoint (and notify the other Party of the identity of) a representative having the appropriate qualifications (including a general understanding of pharmaceutical Development, Manufacturing, and Commercialization issues) to act as its alliance manager under this Agreement ("**Alliance Manager**"). The Alliance Managers will serve as the primary contact points between the Parties regarding the activities contemplated by this Agreement. The Alliance Managers will facilitate the flow of information and otherwise promote communication, coordination and collaboration between the Parties, providing single point communication for seeking consensus both internally within each Party's respective organization, including facilitating review of external corporate communications, and raising cross-Party and/or cross-functional disputes in a timely manner. Each Party may replace its Alliance Manager by written notice to the other Party.

3.2. Joint Steering Committee.

(a) **Formation.** Within 30 days after the Effective Date, the Parties will establish a joint steering committee (the "**Joint Steering Committee**" or the "**JSC**") to oversee the Development, Manufacture, and Commercialization of the Licensed Products in the Field in the Territory under this Agreement. Each Party will appoint three representatives to the JSC, each of whom will be an officer or employee of the applicable Party having sufficient seniority within such Party to make decisions arising within the scope of the JSC's responsibilities. Each Party may replace its JSC representatives upon written notice to the other Party. Each Party will appoint one of its JSC representatives to act as a co-chairperson of the JSC.

(b) **Role.** The JSC will (i) provide a forum for the discussion of the Parties' activities under this Agreement; (ii) review, discuss and approve the overall strategy for the Development, Manufacture, and Commercialization of the Licensed Product in the Field in the Territory; (iii) review, discuss and approve the Development Plan and amendments thereto; (iv) review and discuss the Commercialization Plan and amendments thereto; (v) review, discuss and approve the Product Specifications; (vi) review and discuss Manufacturing activities, and approve such Manufacturing activities that could affect Paratek's global clinical and/or regulatory program outside the Territory and outside the Field; (vii) establish joint subcommittees (each, a "**Subcommittee**") as necessary or advisable to further the purpose of this Agreement; and (viii) perform such other functions as expressly set forth in this Agreement or allocated to it by the Parties' written agreement.

(c) **Limitation of Authority**. The JSC will only have the powers expressly assigned to it in this ARTICLE 3 and elsewhere in this Agreement and will not have the authority to: (i) modify or amend the terms and conditions of this Agreement; (ii) waive either Party's compliance with the terms and conditions of this Agreement; or (iii) determine any such issue in a manner that would conflict with the express terms and conditions of this Agreement.

(d) **Meetings**. The JSC will hold meetings at such times as it elects to do so, but in no event will such meetings be held less frequently than once every Calendar Quarter until the earlier of (i) three years after the Effective Date, or (ii) Zai's submission of a Regulatory Submission for Regulatory Approval for the Licensed Product in the Territory. Thereafter, the JSC will hold meeting no less frequently than once every six months. Each Party may call additional ad hoc JSC meetings as the needs arise with reasonable advance notice to the other Party. Meetings of the JSC may be held in person, by audio or video teleconference; provided that at least one meeting per Calendar Year of the JSC will be held in person. In-person JSC meetings will be held at locations selected alternately by the Parties. The co-chairpersons of the JSC will jointly prepare the agenda and minutes for each JSC meeting. Each Party will be responsible for all of its own expenses of participating in the JSC meetings. No action taken at any JSC meeting will be effective unless at least one representative of each Party is participating in such JSC meeting.

(e) **Non-Member Attendance**. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the JSC meetings in a non-voting capacity; provided that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will provide prior written notice to the other Party. Such Party will also ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

(f) **Decision-Making.** All decisions of the JSC will be made by unanimous vote, with each Party's representatives having one vote. If after reasonable discussion and good faith consideration of each Party's view on a particular matter before the JSC, the JSC cannot reach a decision as to such matter within 30 days after such matter was brought to the JSC for resolution, such matter will be referred to the President of Paratek and the Chief Executive Officer of Zai (the "**Executive Officers**") for resolution. If the Executive Officers cannot resolve such matter within 10 Business Days after such matter has been referred to them, then the Parties will be deemed to be deadlocked and [*] final decision making authority over [*]; provided that [*] final decision making authority over [*]; provided further that [*] such final decision making authority in a manner that [*]. If [*] that [*] did not have a good faith basis to conclude that such matter [*], then [*] may submit the matter to arbitration pursuant to Section 15.4; provided that the expedited procedure rules of the [*] will apply. For clarity, [*] would have the right to [*] with respect to the [*].

(g) **Exchange of Information**. The Parties will cooperate to exchange information with respect to Development activities conducted by Paratek outside the Territory that could affect Zai's activities in the Territory, and Development activities conducted by Zai that could affect Paratek's global clinical and regulatory program outside the Territory and outside the Field (such as new indications, dosing, and formulations).

3.3. Subcommittees.

(a) **General**. Pursuant to Section 3.2(b), the JSC will have the authority to establish Subcommittees. Each Subcommittee (including the Joint Development Committee) will be composed of an equal number of representatives from each Party. Each Party may replace its Subcommittee representatives upon written notice to the other Party. All decisions of a Subcommittee will be made by unanimous vote, with each Party's representatives having one vote. In the event the Parties are unable to reach a unanimous vote with respect to a matter, such matter will be referred to the JSC for resolution.

(b) **Joint Development Committee**.

(i) **General**. Within 30 days of the Effective Date, the Parties will establish a joint development committee (the "**Joint Development Committee**" or the "**JDC**") to oversee (1) the day-to-day Development of the Licensed Product and the execution of the Development Plans, and (2) the progress of the Regulatory Approvals and Regulatory Submissions for the Licensed Product. Each Party will appoint three representatives to the JDC, each of whom will be an officer or employee of the applicable Party having sufficient knowledge regarding Development and Commercialization of the Licensed Product.

(ii) **Meetings.** While the Parties are developing and conducting Clinical Trials for Licensed Product in the Territory, the JDC will meet at least once per Calendar Quarter. The Parties will endeavor to schedule meetings of the JDC at least two months in advance.

ARTICLE 4
TECHNOLOGY TRANSFERS

4.1. Technology Transfer. Within 30 days of the Effective Date, the Parties will coordinate and agree to a technology transfer plan for Paratek to provide and transfer to Zai the Paratek Know-How that exists on the Effective Date and was not previously provided to Zai, and a timeline for such technology transfer, which may be updated or amended by the JSC from time to time as needed (such schedule and timeline, the "**Technology Transfer Plan**"). Paratek will transfer the Paratek Know-How to Zai in accordance with the Technology Transfer Plan, and Zai will cooperate to facilitate the receipt of such transfer of Paratek Know-How (the "**Initial Technology Transfer**"). Thereafter, upon Zai's reasonable request, Paratek will provide Zai with reasonable assistance in the Development and Manufacture of the Licensed Products in the Field in the Territory (the "**Continuing Technology Transfer**," and together with the Initial Technology Transfer, the "**Technology Transfer**"). The Continuing Technology Transfer will include the transfer of additional Paratek Know-How to Zai and reasonable access to Paratek personnel involved in the research and Development of the Compound and Licensed Products, either in-person at Paratek's facility or by teleconference, but will not include an obligation for Paratek personnel to travel.

4.2. Transfer of Materials. Paratek will provide a one-time transfer of reasonable quantities of Materials for Zai to conduct its Development activities under this Agreement; provided that the Parties discuss in good faith and enter into a separate materials transfer agreement containing reasonable and customary terms for such transfer of Materials. Zai will [*] provide assistance to Zai for the transfer of Materials pursuant this Section 4.2.

4.3. Technology Transfer Costs. [*]

ARTICLE 5
DEVELOPMENT PROGRAM

5.1. Diligence and Responsibilities.

(a) Zai will be responsible for, and use Commercially Reasonable Efforts to Develop the Licensed Product in the Field in the Territory in accordance with the Development Plan, at its sole cost and expense.

(b) Zai will use Commercially Reasonable Efforts to conduct its tasks pursuant to the Development Plan and to attempt to achieve the objectives of the Development Plan. Zai will perform such obligations under the Development Plan in a professional manner, and in compliance in all material respects with the Development Plan and the requirements of Applicable Law, GCP and cGMP. Changes in the scope or direction of the Development work under this Agreement that would require a material deviation from the Development Plan must be approved by the JSC as set forth in Section 3.2(b).

5.2. Development Plan. The Parties will undertake the Development of the Licensed Product in a collaborative and efficient manner in accordance with this ARTICLE 5. The Development of the Licensed Product in the Territory under this Agreement will be governed by a written development plan (the **"Development Plan"**), as such Development Plan may be revised from time to time in accordance with this Section 5.2. The Development Plan will contain in reasonable detail the major Development activities and the timelines for achieving such activities. As of the Effective Date, the Parties have agreed to the initial Development Plan, which is attached hereto as Schedule 5.2 (the "**Initial Development Plan**"). From time to time, but at least every 12 months, Zai will propose updates or amendments, if any, to the Development Plan in consultation with Paratek and submit such proposed updated or amended plan to the JSC for review, discussion, and approval. In accordance with Section 3.2(b), the JSC will review and approve any updates or amendments to the Development Plan.

5.3. Activity Target. Prior to [*], Zai will file an IND with the CFDA for the Licensed Product (the "**Activity Target**," and the date, the "**Activity Target Deadline"**); provided that (a) if Zai is unable to achieve the Activity Target by the Activity Target Deadline and demonstrates to Paratek that Zai utilized Commercially Reasonable Efforts in Zai's attempt to satisfy the obligations of this Section 5.3, or (b) if Zai is unable to achieve the Activity Target by the Activity Target Deadline as a direct result of Paratek [*], the Activity Target Deadline will be extended [*]. For the avoidance of doubt, with respect to subsection (a) the Activity Target Deadline is [*], and with respect to subsection (b), the Activity Target Deadline is [*]. [*]

5.4. Development Reports. The status, progress and results of Zai's Development activities under this Agreement will be discussed at meetings of the JSC. At least five Business Days before each regularly scheduled JSC meeting, Zai will provide the JSC with a written report detailing its Development activities and the results thereof, covering subject matter at a level of detail reasonably required by Paratek and sufficient to enable Paratek to determine Zai's compliance with its diligence obligations pursuant to Section 5.1. In addition, Zai will make available to Paratek such additional information about its Development activities as may be reasonably requested by Paratek from time to time. All updates and reports generated pursuant to this Section 5.4 shall be the Confidential Information of Zai.

5.5. Records. Zai will maintain appropriate records in either tangible or electronic form of (a) all significant Development, Manufacturing, and Commercialization events and activities conducted by it or on its behalf related to a Licensed Product; and (b) all significant information generated by it or on its behalf in connection with Development, Manufacturing, or Commercialization of a Licensed Product under this Agreement, in each case in accordance with Zai's usual documentation and cGMP record retention practices. Such records will be in sufficient detail to properly reflect, in a good scientific manner, all significant work done and the results of studies and trials undertaken and, further, will be at a level of detail appropriate for patent and regulatory purposes. Zai will document all non-clinical studies and Clinical Trials in formal written study reports according to Applicable Laws and national and international guidelines. Upon Paratek's request, Zai will, and will cause its Affiliates and Sublicensees, to provide to Paratek copies of such records (including access to relevant databases, if any) of Development, Manufacturing, and Commercialization activities to the extent necessary or useful for the Development, Manufacturing, and Commercialization of the Compound or Licensed Product outside the Territory, including for regulatory and patent purposes. All such records, reports, information and data provided will be subject to the confidentiality provisions of ARTICLE 10.

ARTICLE 6
REGULATORY

6.1. Zai's Responsibilities. Zai will be responsible for all regulatory activities leading up to and including the obtaining of the Regulatory Approvals for a Licensed Product from the Regulatory Authority on a region-by-region basis, at its sole cost and expense. Zai or its designee will own and hold all Regulatory Approvals for a Licensed Product in the Territory. Zai will keep Paratek informed of regulatory developments related to the Licensed Products in the Territory and will promptly notify Paratek in writing of any decision by any Regulatory Authority in the Territory regarding the Licensed Product. Zai will notify Paratek of any Regulatory Submissions submitted to or received from any Regulatory Authority in the Territory and will provide Paratek with copies thereof within five days after submission or receipt. If any material Regulatory Submission is not in the English language, Zai will also provide Paratek with a summary thereof in English as soon as practicable.

6.2. Paratek's Responsibilities. [*] Paratek will reasonably cooperate with Zai in obtaining any Regulatory Approvals for a Licensed Product in the Territory by providing, to the extent reasonably required by and reasonably useful to Zai, access to regulatory approvals, Regulatory Submissions, clinical data, and other data, information, and documentation for the Licensed Product outside of the Territory. In addition, upon Zai's reasonable request, Paratek will, and will cause its Affiliates and sublicensees (to the extent permitted in such sublicensees' agreement with Paratek), to provide to Zai copies of such records of Development, Manufacturing, and Commercialization activities to the extent necessary or reasonably useful to obtain Regulatory Approval of the Licensed Product in the Territory. [*] provide assistance to Zai for such cooperation.

6.3. Right of Reference. Each Party hereby grants to the other Party the right of reference to all Regulatory Submissions pertaining to the Licensed Product in the Field submitted by or on behalf of such Party. Zai may use such right of reference to Paratek's Regulatory Submissions in the Field solely for the purpose of seeking, obtaining and maintaining Regulatory Approval of the Licensed Products in Field in the Territory. Paratek may use the right of reference to Zai's Regulatory Submissions in the Field solely for the purpose of seeking, obtaining and maintaining regulatory approval of the Licensed Products outside the Territory.

6.4. Adverse Events Reporting.

(a) Promptly following the Effective Date, but in no event later than 60 days thereafter, Zai and Paratek will develop and agree to the worldwide safety and pharmacovigilance procedures for the Parties with respect to the Licensed Products, such as safety data sharing and exchange, Adverse Events reporting and prescription events monitoring in a written agreement (the "**Safety Agreement**"). Such agreement will describe the coordination of collection, investigation, reporting, and exchange of information concerning Adverse Events or any other safety problem of any significance, and product quality and product

complaints involving Adverse Events, sufficient to permit each Party, its Affiliates, licensees or sublicensees to comply with its legal obligations. The Safety Agreement will be promptly updated if required by changes in legal requirements. Each Party hereby agrees to comply with its respective obligations under the Safety Agreement and to cause its Affiliates, licensees and sublicensees to comply with such obligations. To the extent there is any disagreement between this Section 6.4, Section 6.5, or any related definitions and the Safety Agreement, the Safety Agreement shall control with respect to safety matters and this Agreement shall control with respect to all other matters.

(b) Zai will maintain an Adverse Event database for the Licensed Products in the Territory, at its sole cost and expense, and will be responsible for reporting quality complaints, Adverse Events and safety data related to the Licensed Products to the applicable Regulatory Authorities in the Territory, as well as responding to safety issues and to all requests of Regulatory Authorities related to the Licensed Products in the Territory. Zai will provide to Paratek access to, and the information contained in, Zai's Adverse Event database for the Territory, and Paratek will maintain a global Adverse Event database at its sole cost and expense.

(c) Zai will be responsible for complying with all Applicable Law governing Adverse Events in the Territory that occur after the Effective Date. Zai will notify Paratek on a timely basis of any Adverse Events occurring at or reported by any Clinical Trial location at which Zai is responsible for performing Clinical Trials. Zai will submit copies of reports of Adverse Events to Paratek simultaneously with submission to the applicable Regulatory Authorities. Each Party will notify the other in a timely manner and in any event within 24 hours of receiving any serious Adverse Event reports from Clinical Trials that each Party is monitoring, notice from a Regulatory Authority, independent review committee, data safety monitoring board or another similar clinical trial or post-marketing monitoring body alleging significant concern regarding a patient safety issue or other material information relevant to the safety or efficacy of Licensed Product.

6.5. Safety and Regulatory Audits. Upon reasonable notification, and no more frequently than [*] (provided that the foregoing frequency limit shall not apply if Paratek has cause), Paratek will be entitled to conduct an audit of safety and regulatory systems, procedures and practices of Zai, including on-site evaluations to the extent permitting such on-site evaluations is in the control of Zai. Further details including notification, timing, response and scope of such audits will be included in the Safety Agreement.

6.6. No Harmful Actions. If Paratek believes that Zai is taking or intends to take any action with respect to the Licensed Product that could have a material adverse impact upon the regulatory status of the Licensed Product outside the Territory, Paratek will have the right to bring the matter to the attention of the JSC and the Parties will discuss in good faith to resolve such concern. Without limiting the foregoing, unless the Parties otherwise agree: (a) Zai will not communicate with any Regulatory Authority having jurisdiction outside the Territory, unless so ordered by such Regulatory Authority, in which case Zai will immediately notify Paratek of such order; and (b) Zai will not submit any Regulatory Submissions or seek regulatory approvals for the Licensed Product outside the Territory. To the extent practicable, Paratek will provide Zai with any information that reasonably could affect the Development or Commercialization of the Licensed Product in the Territory, prior to making such information public.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

6.7. Notification of Threatened Action. Each Party will immediately notify the other Party of any information it receives regarding any threatened or pending action, inspection or communication by any Regulatory Authority, which may affect the safety or efficacy claims of any Licensed Product or the continued marketing of any Licensed Product. Upon receipt of such information, the Parties will consult with each other in an effort to arrive at a mutually acceptable procedure for taking appropriate action.

6.8. Remedial Actions. Each Party will notify the other immediately, and promptly confirm such notice in writing, if it obtains information indicating that any Licensed Product may be subject to any recall, corrective action or other regulatory action by any Governmental Authority or Regulatory Authority (a "**Remedial Action**"). The Parties will assist each other in gathering and evaluating such information as is necessary to determine the necessity of conducting a Remedial Action. Zai will have sole discretion with respect to any matters relating to any Remedial Action in the Territory, including the decision to commence such Remedial Action and the control over such Remedial Action. The cost and expenses of any Remedial Action in the Territory will be borne solely by Zai. Zai will, and will ensure that its Affiliates and Sublicensees will, maintain adequate records to permit the Parties to trace the manufacture, distribution and use of the Licensed Product in the Territory.

ARTICLE 7
MANUFACTURING

7.1. Manufacture and Supply. Zai will be responsible for, and use Commercially Reasonable Efforts to Manufacture, or have Manufactured (pursuant to Section 2.4), Licensed Products, sufficient and solely to meet the Development and Commercialization requirements of a Licensed Product in the Territory, at its sole cost and expense. Zai will undertake such Manufacturing activities of the Licensed Products in accordance with the Product Specifications. If [*], Paratek will permit Paratek's suppliers to provide such supply to Zai and shall reasonably assist Zai to obtain a supply of Licensed Products for the Development and Commercialization activities contemplated hereunder by introducing Zai to suppliers that Paratek utilizes at that time. Zai will ensure that any arrangement between Zai and such suppliers (a) will not alter or affect Paratek's supply related to the Licensed Product, and (b) Paratek will not have any liability or obligation related to such arrangements. If Zai is required by the CFDA to Commercialize the Licensed Product as an imported product, the Parties will negotiate in good faith the terms of an agreement to address this event (an "**Imported Product Agreement**"), and such agreement will include, but not be limited to, provisions whereby Zai will indemnify Paratek for any liability (including product liability) related to Paratek's involvement in the Development, Manufacture or Commercialization of the Licensed Product as an imported product, and Zai will maintain appropriate minimum liability insurance (to be determined in the Imported Product Agreement) levels. For the avoidance of doubt, (y) Paratek will be adequately protected from any liability based on Zai's activities in the Territory including Zai's sourcing of the Compound or Licensed Product, and (z) absent the Parties agreement to terms pursuant to an Imported Product Agreement, Paratek will not have any obligation to (i) accommodate the supply (directly or indirectly) of the Compound or Licensed Product to Zai, or (ii) be an applicant on a regulatory application or holder of a regulatory approval related to Zai's Exploitation of the Licensed Product as an imported product.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

7.2. Transfer of Manufacturing Know-How. As part of the Initial Technology Transfer, in accordance with the Technology Transfer Plan, Paratek will make available to Zai the Paratek Know-How that constitutes the then-current process used by Paratek or its Third Party manufacturer in the manufacture of Licensed Products. In addition, as per the Continuing Technology Transfer, Paratek will provide reasonable technical assistance regarding such manufacturing related Paratek Know-How as requested by Zai in accordance with Section 4.1. Zai will be responsible for the costs and expenses incurred by Paratek in performing such part of the Technology Transfer in accordance with Section 4.3. After the completion of such part of the Initial Technology Transfer, each Party will promptly notify the other Party of any changes in its manufacturing process for the Licensed Products and upon such other Party's request, will provide reasonable assistance to enable such other Party to implement such changes, with each Party bearing its own costs.

7.3. Agreement with Contract Manufacturer. To the extent that Zai enters into an agreement with any contract manufacturing organization to manufacture Licensed Product for and on behalf of Zai, such agreement shall set forth the respective responsibilities of the parties with regards to quality assurance for the Licensed Product, and Zai shall obligate such contract manufacturing organization in the Territory to comply with all Applicable Laws, including GMP, and ensure that any such contract manufacturing organization is not, and has not been, debarred or disqualified by any Regulatory Authority.

ARTICLE 8
COMMERCIALIZATION

8.1. Commercialization Diligence. Zai will be responsible for, and use Commercially Reasonable Efforts to Commercialize the Licensed Products in the Field in the Territory in accordance with the Commercialization Plan, at its sole cost and expense. Upon Zai's reasonable request, Paratek will reasonably assist Zai in such Commercialization of the Licensed Product.

8.2. Commercialization Plan. The Commercialization Plan will contain in reasonable detail the major Commercialization activities and the timelines for achieving such activities. Zai will deliver an initial Commercialization Plan to the JSC for review and discussion no later than 12 months prior to the anticipated date of the first filing of the first Regulatory Approval for a Licensed Product in the Territory. Thereafter, from time to time, but at least every 12 months, Zai will propose updates or amendments to the Commercialization Plan in consultation with Paratek to reflect changes in such plans, including those in response to changes in the marketplace, relative success of the Licensed Product, and other relevant factors influencing such plan and activities, and submit such proposed updated or amended plan to the JSC for review, discussion, and approval. In accordance with Section 3.2(b), the JSC will review and discuss any updates or amendments to the Commercialization Plan.

8.3. Commercialization Reports. Zai will update the JSC at each regularly scheduled JSC meeting regarding Zai's Commercialization activities with respect to the Licensed Products in the Territory. Each such update will be in a form to be agreed by the JSC and will summarize Zai's, its Affiliates' and Sublicensees' significant Commercialization activities with respect to the Licensed Products in the Territory, covering subject matter at a level of detail reasonably required by Paratek and sufficient to enable Paratek to determine Zai's compliance with its diligence obligations pursuant to Section 8.1. In addition, Zai will make available to Paratek such additional information about its Commercialization activities as may be reasonably requested by Paratek from time to time. For clarity, Zai will not be required to include information in its updates and reports under this Section 8.3 that it does not otherwise create for its own internal purposes. All updates and reports generated pursuant to this Section 8.3 shall be the Confidential Information of Zai.

8.4. Product Trademarks. Zai will have the right to brand the Licensed Products in the Territory using trademarks, logos, and trade names it determines appropriate for the Licensed Products, which may vary by region or within a region (the "**Product Marks**"). Zai will own all rights in the Product Marks in the Territory and will register and maintain the Product Marks in the Territory that it determines reasonably necessary, at Zai's cost and expense. Upon Zai's request, Paratek will reasonably assist Zai in the selection and design of the Product Marks. Zai will also have the right (pursuant to this Section 8.4) to use certain trademarks in the Territory as set forth in Schedule 8.4 (the "**Paratek Product Marks**"). If Zai elects to use the Paratek Product Marks in connection with the Commercialization of the Licensed Products in the Territory, Paratek will and hereby does grant to Zai, during the Term and subject to the terms and conditions of this Agreement, a royalty-free, exclusive license under Paratek's rights to use such Paratek Product Marks in connection with the Commercialization of the Licensed Products in the Field in the Territory in compliance with Applicable Laws. Zai will comply with Paratek's brand usage guidelines provided to Zai in its use of the Paratek Product Marks. For the avoidance of doubt, Paratek (a) has sole discretion regarding prosecution and maintenance of the Paratek Product Marks, provided that, after Zai has initiated launch efforts to Commercialize the Product under any particular Paratek Product Mark, Paratek shall notify Zai in writing of any decision to modify and/or discontinue the application or registration of such Paratek Product Mark in the Territory, and shall not carry out such modification or discontinuation without Zai's prior written consent (not to be unreasonably withheld), further provided that Paratek shall not be required to obtain Zai's consent if such modification and/or discontinuation is required by the applicable Regulatory Authority in the Territory or is necessary to avoid any potential infringement of the rights of any Third Party, and (b) has no obligation to ensure that, and provides no guarantee that, any applications included in the Paratek Products Marks issues to a registered trademark in the Territory.

8.5. Commercialization Assistance. Zai will reimburse Paratek's actual internal expenses and costs at the FTE Rate for FTEs engaged to, and out-of-pocket expenses and costs incurred by Paratek to, provide assistance to Zai Commercialization activities, including assistance pursuant to Sections 8.1 and 8.4.

8.6. Compliance. Zai will (a) comply, and will cause its Affiliates and Sublicensees to comply, with all Applicable Laws and all applicable cGMP, GCP, GLP and GSP (or similar standards) in their conduct of the Development, Manufacturing, and Commercialization activities under this Agreement and (b) ensure that its Affiliates and Sublicensees do not transfer or divert the Compound or Licensed Product to an entity other than Zai, or an entity approved by Zai, in each case in a manner that would cause the sale of such Compound or Licensed Product in the chain of distribution (from Zai or its Affiliates or Sublicensees to the end user) to be excluded (except as an exception provided in the Net Sales definition) in the calculation of Net Sales, provided that for each unit of the Compound and/or Licensed Product, the inclusion of such sales in the calculation of Net Sales shall occur only once. Upon reasonable notification, but no more than [*] (provided that the foregoing frequency limit shall not apply if Paratek has cause), Paratek will have the right to conduct audits of Zai, and Zai will procure such right for Paratek to audit Zai's Affiliates and Sublicensees (either directly or through Zai and its designee), to ensure (y) compliance with applicable cGMP, GCP, GLP, and GSP standards, including on-site evaluations (to the extent permitting such evaluations is under the control of the audited Party), and (z) compliance with Section 8.6(b).

ARTICLE 9
PAYMENTS AND MILESTONES

9.1. Tufts Agreement and IP Transfer Agreement Payments.

(a) Paratek will be responsible, at its costs, for all payments, royalties or milestones under the Tufts Agreement.

(b) Paratek will be responsible, at its costs, for all payments under the IP Transfer Agreement.

9.2. Upfront Payment. In partial consideration of the rights granted by Paratek to Zai hereunder, Zai will pay to Paratek US$7,500,000 (the "**Upfront Payment**") within [*] days of the Effective Date.

9.3. Milestones Payments to Paratek.

(a) In partial consideration of the rights granted herein, Zai will pay to Paratek the following milestone payments (each such payment, a "**Milestone Payment"**) within [*] days of the achievement of the corresponding milestone events set forth below (each such event, a "**Milestone Event**"), or in the case of Net Sales Milestone Events, within [*] days after the end of the Calendar Quarter in which the Net Sales Milestone Event occurs.

Milestone Event	Milestone Payment
[*]	US$[*]
[*]	US$[*]
[*]	US$[*]
First time that Net Sales of Licensed Products in a Calendar Year exceeds US$[*]	US$[*]
First time that Net Sales of Licensed Products in a Calendar Year exceeds US$[*]	US$[*]
First time that Net Sales of Licensed Products in a Calendar Year exceeds US$[*]	US$[*]

(b) For the avoidance of doubt (i) each Milestone Payment will be payable on the first occurrence of the corresponding Milestone Event, and (ii) none of the Milestone Payments will be payable more than once.

9.4. Royalties.

(a) **Royalty Payment**. During the Royalty Term, Zai will pay to Paratek tiered royalties based on annual Net Sales of Licensed Product in the Territory in a Calendar Year (a "**Royalty Payment**"). The royalty rates will be as set forth below (subject to Section 9.4(d)):

Tier	Royalty %
³ US$[*] and £ US$[*]	[*]%
> US$[*] and £ US$[*]	[*]%
> US$[*] and £ US$[*]	[*]%
> US$[*]	[*]%

(b) **Example**. By way of example, if the Net Sales in a Calendar Year of Licensed Product within the Territory equals $[*], the royalty amount owed by Zai to Paratek would be US$[*].

(c) **Royalty Term.** The Royalty Payments payable under this Section 9.4 will be payable on a region-by-region basis from the First Commercial Sale of the Licensed Product in such region until the later of: (i) the abandonment, expiry or final determination of invalidity of the last Valid Claim within the Paratek Patents that covers the Exploitation of the Licensed Products in the region in the Territory in the manner that Zai or its Affiliates or Sublicensees Exploit the Licensed Product or intend for the Licensed Product to be Exploited; or (ii) the close of business of the day that is exactly 11 years after the date of the First Commercial Sale of such Licensed Product in such region (the "**Royalty Term**").

(d) **Royalty Rate Reduction for Generic Product Market Effect**. If there is no longer a Valid Claim within the Paratek Patents covering a Licensed Product in a region in the Territory, then Zai may reduce the Royalty Payments for Net Sales in such region by (i) [*]% in any Calendar Quarter that Zai can demonstrate that one or more generic equivalent products are on the market in such region and sales of such generic equivalent product(s) in the region constitute [*]% or more of the total sales of such generic equivalent product(s) and Licensed Product in such region or (ii) [*]% in any Calendar Quarter that Zai can demonstrate that one or more generic equivalent products are on the market in such region and sales of such generic equivalent product(s) in the region constitute [*]% or more of the total sales of such generic equivalent product(s) and Licensed Product in such region.

(e) **Royalty Estimates and Royalty Reports**. Following the First Commercial Sale of any Licensed Product for which royalties are due pursuant to this Section 9.4, and continuing for so long as royalties are due hereunder:

(i) Zai will, within [*] days after the end of each Calendar Quarter, provide Paratek a good faith estimate of the royalties due for such Calendar Quarter; and

(ii) Zai will, within [*] days after the end of each Calendar Quarter, provide a royalty report showing, on a region-by-region basis:

(1) the Net Sales of each Licensed Product sold by Zai, its Affiliates and Sublicensees during such Calendar Quarter reporting period;

(2) the Royalty Payments in United States dollars which will have accrued hereunder with respect to such Net Sales, with supporting calculations showing the applicable royalty rate applied;

(3) the rate of exchange with supporting calculations, determined in accordance with Section 9.5(b), used by Zai in determining the amount of United States dollars payable hereunder.

(f) **Royalty Payment.** Zai will pay to Paratek the royalties for each Calendar Quarter within [*] days after the end of such Calendar Quarter. If no royalty is due for any Calendar Quarter following commencement of the reporting obligation, Zai will so report.

9.5. Payment.

(a) **Mode of Payment.** All payments to be made under this Agreement will be made in U.S. Dollars and will be paid by electronic transfer in immediately available funds to such bank account in the United States as is designated in writing by a Party. All payments will be free and clear of any transfer fees or charges.

(b) **Currency Exchange Rate.** All payments under this Agreement will be payable in U.S. Dollars. All expense amounts will be calculated in the foreign currency for the country or region in which expenses are incurred, and will then be converted into U.S. Dollars by applying the rate of exchange used by a Party for its own financial reporting purposes in connection with its other products or accounts, consistently applied, which will be consistent with US GAAP. The rate of exchange to be used in computing the amount of currency

equivalent in U.S. Dollars for calculating Net Sales in a Calendar Quarter (for purposes of both the royalty calculation and whether a Net Sales milestone has been achieved) shall be made at the exchange rate as published by the Wall Street Journal on the last Business Day of such Calendar Quarter, or such other source as the Parties may agree in writing.

9.6. Audits.

(a) Zai will keep, and will require its Affiliates and Sublicensees to keep (all in accordance with US GAAP, consistently applied), for a period not less than [*] complete and accurate records in sufficient detail to properly reflect Net Sales and to enable any Milestone Payment payable hereunder to be determined.

(b) Upon the written request of Paratek, Zai will permit, and will cause its Affiliates and Sublicensees to permit, an independent certified public accounting firm of nationally recognized standing selected by Paratek and reasonably acceptable to Zai, at Paratek's expense, to have access during normal business hours to such records of Zai and/or its Affiliates as may be reasonably necessary to verify the accuracy of the payments hereunder for any Calendar Year ending not more than [*] prior to the date of such request. These rights with respect to any Calendar Year will terminate [*] after the end of any such Calendar Year and shall be limited to (i) [*] and (ii) [*] with respect to records covering any specific period of time (provided that the foregoing frequency limits ((i) and (ii)) shall not apply if Paratek has cause). Paratek will provide Zai with a copy of the accounting firm's written report within [*] days of completion of such report. If such accounting firm correctly concludes that an underpayment was made, then Zai will pay the amount due within [*] days of the date Paratek delivers to Zai such accounting firm's written report so correctly concluding. Paratek will bear the full cost of such audit unless such audit correctly discloses that the additional payment payable by Zai for the audited period is more than [*]% of the amount otherwise paid for that audited period, in which case Zai will pay the reasonable fees and expenses charged by the accounting firm.

(c) Paratek will treat all financial information, subject to review under this Section 9.6 in accordance with the confidentiality provisions of ARTICLE 10, and, prior to commencing such audit, will cause its accounting firm to enter into a confidentiality agreement with Zai obligating it to treat all such financial information in confidence pursuant to such confidentiality provisions. Such accounting firm shall not disclose Zai's Confidential Information to Paratek, except to the extent such disclosure is necessary to verify the accuracy of the financial reports furnished by Zai or the amount of payments to or by Zai under this Agreement.

(d) Zai will include in each relevant sublicense granted by it a provision requiring any Sublicensee to maintain records of sales of Licensed Products made pursuant to such sublicense, and to grant access to such records by an accounting firm to the same extent and under the same obligations as required of Zai under this Agreement. Paratek will advise Zai in advance of each audit of any such Sublicensee with respect to Licensed Product sales either by Paratek or its designated auditor under the terms of such Sublicensee agreement. Paratek will provide Zai with a summary of the results received from the audit and, if Zai so requests, a copy of the audit report. Paratek will pay the full costs charged by the accounting firm, unless the audit discloses that the additional payments payable to Paratek for the audited period is more than [*]% from the amounts otherwise paid for that audited period, in which case Zai will pay the reasonable fees and expenses charged by the accounting firm.

9.7. Interest. Each Party will pay interest on any amounts overdue under this Agreement at a per annum rate of [*] point above the Prime Rate assessed from the day payment was initially due; provided, however, that in no case will such interest rate exceed the highest rate permitted by Applicable Law. The payment of such interest will not foreclose a Party from exercising any other rights it may have because any payment is overdue.

9.8. Taxes.

(a) [*] any VAT required to be deducted or withheld by Zai under Applicable Law on payments payable by Zai under this Agreement, and will [*] the deduction or withholding for VAT. If Zai is required to deduct or withhold Taxes (including VAT) on any payments payable by Zai under this Agreement, Zai will (i) pay such Tax on behalf of Paratek to the appropriate Governmental Authority, (ii) furnish Paratek with proof of payment of such Tax, and (iii) [*] required to be deducted or withheld [*] as set forth in the Agreement. For example, if Paratek is due US[*] under this Agreement, and Zai is required by Applicable Law to withhold [*], [*] and [*].

(b) Zai and Paratek will cooperate with respect to all documentation required by any taxing authority or reasonably requested by Zai to secure a reduction in the rate of applicable Taxes.

ARTICLE 10
CONFIDENTIALITY; PUBLICATION

10.1. Nondisclosure Obligation.

(a) For the Term of this Agreement and [*] thereafter, the Party receiving the Confidential Information of the other Party (such receiving Party, the "**Receiving Party**") will keep confidential and not publish, make available or otherwise disclose any Confidential Information to any Third Party, without the express prior written consent of the Party that disclosed such Confidential Information (the "**Disclosing Party**"); provided however, the Receiving Party may disclose the Confidential Information to those of its Affiliates, officers, directors, employees, agents, consultants and/or independent contractors (including sublicensees) of such Receiving Party who need to know the Confidential Information in connection with this Agreement and are bound by confidentiality obligations with respect to such Confidential Information. The Receiving Party will exercise at a minimum the same degree of care it would exercise to protect its own confidential information (and in no event less than a reasonable standard of care) to keep confidential the Confidential Information. The Receiving Party will use the Confidential Information solely in connection with the purposes of this Agreement.

(b) It will not be considered a breach of this Agreement if the Receiving Party discloses Confidential Information in order to comply with a lawfully issued court or governmental order or with a requirement of Applicable Law or the rules of any internationally recognized stock exchange; provided that: (i) the Receiving Party gives prompt written notice of such disclosure requirement to the Disclosing Party and cooperates with the Disclosing Party's efforts to oppose such disclosure or obtain a protective order for such Confidential Information, and (ii) if such disclosure requirement is not quashed or a protective order is not obtained, the Receiving Party will only disclose those portions of the Confidential Information that it is legally required to disclose and will make a reasonable effort to obtain confidential treatment for the disclosed Confidential Information. To the extent there is any conflict between this ARTICLE 10 and any other agreement related to Confidential Information entered into between the Parties, the terms of this ARTICLE 10 will control to the extent of such conflict.

10.2. Scientific Publication. The JDC will discuss the publication strategy for the publication of scientific papers, abstracts, meeting presentations and other disclosure of the results of the studies carried out under this Agreement, taking into consideration the Parties' interest in publishing the results of the Development work in order to obtain recognition within the scientific community and to advance the state of scientific knowledge, and the need to protect Confidential Information, intellectual property rights and other business interests of the Parties. Zai will provide Paratek with the opportunity to review and comment on any proposed publication that pertains to the Compound or Licensed Products at least [*] days prior to its intended submission for publication. Paratek will provide Zai with its comments, if any, within [*] days after the receipt of such proposed publication. Zai will consider in good faith the comments provided by Paratek and will comply with Paratek's request to: (a) remove any and all Confidential Information of Paratek from such proposed publication; and (b) delay the submission for a period up to [*] days as may be reasonably necessary to seek patent protection for the information disclosed in the proposed publication. Zai agrees to acknowledge the contribution of Paratek and Paratek's employees in all publication as scientifically appropriate.

10.3. Publicity; Use of Names.

(a) Each of the Parties agrees not to disclose to any Third Party the terms and conditions of this Agreement without the prior approval of the other Party, except to (i) advisors (including consultants, financial advisors, attorneys and accountants), (ii) bona fide potential and existing investors and acquirers on a need to know basis, in each case under circumstances that reasonably protect the confidentiality thereof, (iii) to the extent necessary to comply with the terms of agreements with Third Parties, or (iv) to the extent required by Applicable Laws, including securities laws and regulations. Notwithstanding the foregoing, the Parties must agree upon the initial press release(s) to announce the execution of this Agreement; thereafter, Paratek and Zai may each disclose to Third Parties the information contained in such press release(s) without the need for further approval by the other.

(b) The Parties acknowledge the importance of supporting each other's efforts to publicly disclose results and significant developments regarding a Licensed Product for use in the Field in the Territory and other activities in connection with this Agreement, beyond what may be strictly required by Applicable Laws and the rules of a recognized stock exchange, and Zai may make such disclosures from time to time with respect to the Licensed Product with the approval of Paratek, which approval will not be unreasonably withheld, conditioned or delayed. Such disclosures may include achievement of significant events in the Development (including

regulatory process) or Commercialization of a Licensed Product for use in the Field in the Territory. Unless otherwise requested by the applicable Party, each Party will indicate that Paratek is the licensor of a Licensed Product, Paratek Patents, and Paratek Know-How, as applicable, in each public disclosure issued by such Party regarding a Licensed Product. When Zai elects to make any public disclosure under this Section 10.3(b), it will give Paratek reasonable notice to review and comment on such statement, it being understood that (i) if Paratek does not notify Zai in writing within [*] days or such shorter period if required by Applicable Laws of any reasonable objections, as contemplated in this Section 10.3(b), such disclosure will be deemed approved, and (ii) if Paratek does notify Zai in writing within the time period set forth in clause (i) above, and reasonably determines that such public disclosure would entail the public disclosure of Paratek's Confidential Information or of patentable inventions upon which patent applications should be filed prior to such public disclosure, such public disclosure will be delayed for such period as may be reasonably necessary for deleting any such Confidential Information of Paratek, or the drafting and filing of a patent application covering such inventions, provided such additional period will not exceed [*] days from the proposed date of the public disclosure, and, in any event, Paratek will work diligently and reasonably to agree on the text of any proposed disclosure in an expeditious manner. The principles to be observed in such disclosures will be accuracy, compliance with Applicable Laws and regulatory guidance documents, and reasonable sensitivity to potential negative reactions of applicable Regulatory Authorities.

(c) The Parties acknowledge the need to keep investors and others informed regarding such Party's business under this Agreement, including as required by the rules of a recognized stock exchange. To the extent a Party is publicly listed or becomes publicly listed, and subject to Sections 10.3(a) and 10.3(b), such Party may issue press releases or make disclosures to the SEC or other applicable agency as it determines, based on advice of counsel, as reasonably necessary to comply with laws or regulations or for appropriate market disclosure; provided that each Party shall provide the other Party with advance notice of legally required disclosures to the extent practicable. The Parties will consult with each other on the provisions of this Agreement to be redacted in any filings made by a Party with the SEC or as otherwise required by Applicable Laws; provided that each Party shall have the right to make any such filing as it reasonably determines necessary under Applicable Laws.

ARTICLE 11
REPRESENTATIONS, WARRANTIES, AND COVENANTS

11.1. Representations, Warranties, and Covenants of Each Party. Each Party represents and warrants, and covenants to the other Party as of the Effective Date that:

(a) it is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including, without limitation, the right to grant the licenses granted by it hereunder; and

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

(b) (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; and (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms;

(c) it is not a party to any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under the Agreement;

(d) in the course of performing its obligations or exercising its rights under this Agreement, it will comply with all Applicable Laws, including as applicable, cGMP, GCP, GLP, and GSP standards, and will not employ or engage any party who has been debarred by any Regulatory Authority, or, to such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

11.2. Additional Representations and Warranties of Paratek. Paratek represents and warrants to Zai that as of the Effective Date:

(a) it has the right under the Paratek Technology to grant the licenses to Zai as purported to be granted pursuant to this Agreement;

(b) to Paratek's actual knowledge, the Manufacture, use or sale of the Licensed Product in the Territory for the purposes set forth in the Development Plan will not infringe any issued claim of an issued Patent of any Third Party (except Patents for which Paratek has a license);

(c) Schedule 1.69 lists all Patents in the Territory Controlled by Paratek that cover the composition of matter or formulation of, or salt of or polymorph forms of, or the method of making or method of using, a Licensed Product;

(d) it has not granted any liens or security interests on the Paratek Technology;

(e) Paratek has not as of the Effective Date, and will not during the Term, grant any right to any Third Party under the Paratek Technology that would conflict with the rights granted to Zai hereunder;

(f) Paratek and its Affiliates is not, and has not been, debarred or disqualified by any Regulatory Authority;

(g) no claim or action has been brought against Paratek or, to Paratek's knowledge, threatened in writing to Paratek, by any Third Party alleging that the Paratek Patents are invalid or unenforceable, and no interference, opposition, cancellation or other protest proceeding has been filed against a Paratek Patent owned by Paratek; and

(h) Paratek has made available to Zai, via the virtual data room, copies of all patient safety and efficacy data tables, in all material respects, that are in Paratek's possession as of the Effective Date, in connection with the global Phase III Clinical Study conducted by Paratek for acute bacterial skin and skin structure infections (ABSSSI) and community-acquired bacterial pneumonia (CABP).

11.3. Covenants of Paratek.

(a) Paratek will not modify, amend, or terminate the Tufts Agreement in a manner that is materially adverse to Zai without Zai's prior written consent.

(b) Paratek will not modify, amend, or terminate, or cause to modify, amend or terminate, the IP Transfer Agreement in a manner that is materially adverse to Zai without Zai's prior written consent.

11.4. Representations, Warranties, and Covenants of Zai. Zai represents, warrants, and covenants to Paratek that as of the Effective Date:

(a) there are no legal claims, judgments or settlements against or owed by Zai, or pending or, to Zai's actual knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, anti-bribery or corruption violations;

(b) Zai and its Affiliates is not, and has not been, debarred or disqualified by any Regulatory Authority;

(c) Zai has sufficient financial wherewithal to (i) perform all of its obligations pursuant to this Agreement, and (ii) meet all of its obligations that come due in the ordinary course of business;

(d) Zai has, or will obtain, sufficient technical, clinical, and regulatory expertise to perform all of its obligations pursuant to this Agreement, including its obligations relating to Development, Manufacturing, Commercialization, and obtaining Regulatory Approvals; and

(e) Zai will, and will cause its Affiliates and Sublicensees to, be bound by and comply with all obligations that the Tufts Agreement states would apply to sublicenses or sublicensees of the Tufts Agreement.

11.5. NO OTHER REPRESENTATIONS OR WARRANTIES. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, ARE MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED.

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11.6. Compliance with Anti-Corruption Laws.

(a) Notwithstanding anything to the contrary in the Agreement, Zai hereby agrees that:

(i) it will not, in the performance of this Agreement, perform any actions that are prohibited by local and other anti-corruption laws (including the provisions of the U.S. Foreign Corrupt Practices Act, collectively "**Anti-Corruption Laws**") that may be applicable to one or both Parties to the Agreement;

(ii) it will not, in the performance of this Agreement, directly or indirectly, make any payment, or offer or transfer anything of value, or agree or promise to make any payment or offer or transfer anything of value, to a government official or government employee, to any political party or any candidate for political office or to any other Third Party with the purpose of influencing decisions related to either Party and/or its business in a manner that would violate Anti-Corruption Laws;

(iii) it will, on an annual basis upon request by the other Party, verify in writing that to the best of such Party's knowledge, there have been no violations of Anti-Corruption Laws by such Party or persons employed by or subcontractors used by such Party in the performance of the Agreement, or will provide details of any exception to the foregoing; and

(iv) it will maintain records (financial and otherwise) and supporting documentation related to the subject matter of the Agreement in order to document or verify compliance with the provisions of this Section 11.6, and upon request of the other Party, up to once per year and upon reasonable advance notice, will provide a Third Party auditor mutually acceptable to the Parties with access to such records for purposes of verifying compliance with the provisions of this Section 11.6. Acceptance of a proposed Third Party auditor may not be unreasonably withheld by either Party. It is expressly agreed that the costs related to the Third Party auditor will be fully paid by the Party requesting the audit, and that any auditing activities may not unduly interfere with the normal business operations of Party subject to such auditing activities. The audited Party may require the Third Party auditor to enter into a reasonable confidentiality agreement in connection with such an audit.

(b) To its knowledge as of the Effective Date, neither Zai nor any of its subsidiaries nor any of their Affiliates, directors, officers, employees, distributors, agents, representatives, sales intermediaries or other Third Parties acting on behalf of Zai or any of its subsidiaries or any of their Affiliates:

(i) has taken any action in violation of any applicable anticorruption law, including the U.S. Foreign Corrupt Practices Act (15 U.S.C. § 78 dd-1 et seq.); or

(ii) has corruptly, offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any Public Official (as defined in Section 11.6(d) below), for the purposes of:

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(iii) influencing any act or decision of any Public Official in his official capacity;

(iv) inducing such Public Official to do or omit to do any act in violation of his lawful duty;

(v) securing any improper advantage; or

(vi) inducing such Public Official to use his or her influence with a government, governmental entity, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary or medical facilities) in obtaining or retaining any business whatsoever.

(c) As of the Effective Date, none of the officers, directors, employees, of Zai or of any of its Affiliates or agents acting on behalf of Zai or any of its Affiliates, in each case that are employed or reside outside the United States, are themselves Public Officials.

(d) For purposes of this Section 11.6, "**Public Official**" means (i) any officer, employee or representative of any regional, federal, state, provincial, county or municipal government or government department, agency or other division; (ii) any officer, employee or representative of any commercial enterprise that is owned or controlled by a government, including any state-owned or controlled veterinary or medical facility; (iii) any officer, employee or representative of any public international organization, such as the African Union, the International Monetary Fund, the United Nations or the World Bank; and (iv) any person acting in an official capacity for any government or government entity, enterprise or organization identified above.

ARTICLE 12
INDEMNIFICATION

12.1. By Zai. Zai will indemnify and hold harmless Paratek, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**Paratek Indemnitee(s)**") from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) incurred in connection with any claims, demands, actions or other proceedings by any Third Party (individually and collectively, "**Losses**") first arising after the Effective Date to the extent arising from (a) Manufacturing, Development, and Commercialization activities, including the promotion of a Licensed Product and product liability claims relating to the Licensed Product, by Zai or any of its Affiliates or Sublicensees, (b) the [*], illegal conduct or willful misconduct of Zai, or (c) Zai's breach of any of its representations or warranties made in or pursuant to this Agreement or any covenants or obligations set forth in or entered into pursuant to this Agreement, in each case of clauses (a) through (c) above except to the extent such Losses arise out of an Paratek Indemnitee's gross negligence, illegal conduct or willful misconduct, or breach of this Agreement.

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12.2. By Paratek. Paratek will indemnify and hold harmless Zai, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**Zai Indemnitee(s)**") from and against all Losses to the extent arising from (a) to the extent any of the following occur, Manufacturing, Development and Commercialization activities in the Territory, including the promotion of a Licensed Product and product liability claims relating to the Licensed Product in the Territory, by Paratek or any of its Affiliates or licensees (other than Zai), (b) the [*], illegal conduct or willful misconduct of Paratek, or (c) Paratek's breach of any of its representations or warranties made in or pursuant to this Agreement or any covenants or obligations set forth in or entered into pursuant to this Agreement, in each case of clauses (a) through (c) above, except to the extent such Losses arise out of any of a Zai Indemnitee's gross negligence, illegal conduct or willful misconduct, or breach of this Agreement.

12.3. Defined Indemnification Terms. Either of the Zai Indemnitee or the Paratek Indemnitee will be an "**Indemnitee**" for the purpose of this ARTICLE 12, and the Party that is obligated to indemnify the Indemnitee under Section 12.1 or Section 12.2 will be the "**Indemnifying Party**."

12.4. Defense. If any such claims or actions are made, the Indemnitee will be defended at the Indemnifying Party's sole expense by counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee, provided that the Indemnitee may, at its own expense, also be represented by counsel of its own choosing. The Indemnifying Party will have the sole right to control the defense of any such claim or action, subject to the terms of this ARTICLE 12.

12.5. Settlement. The Indemnifying Party may settle any such claim, demand, action or other proceeding or otherwise consent to an adverse judgment (a) with prior written notice to the Indemnitee but without the consent of the Indemnitee where the only liability to the Indemnitee is the payment of money and the Indemnifying Party makes such payment, or (b) in all other cases, only with the prior written consent of the Indemnitee, such consent not to be unreasonably withheld or delayed.

12.6. Notice. The Indemnitee will notify the Indemnifying Party promptly of any claim, demand, action or other proceeding under Sections 12.1 or 12.2 and will reasonably cooperate with all reasonable requests of the Indemnifying Party with respect thereto.

12.7. Permission by Indemnifying Party. The Indemnitee may not settle any such claim, demand, action or other proceeding or otherwise consent to an adverse judgment in any such action or other proceeding or make any admission as to liability or fault without the express written permission of the Indemnifying Party.

12.8. LIMITATION OF LIABILITY. SUBJECT TO AND WITHOUT LIMITING THE INDEMNIFICATION OBLIGATIONS OF EACH PARTY WITH RESPECT TO THIRD PARTY CLAIMS UNDER SECTIONS 12.1 OR 12.2 OR LIABILITY AS A RESULT OF A BREACH OF ARTICLE 10, NO PARTY OR ANY OF ITS AFFILIATES WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, MULTIPLIED OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS (EVEN IF DEEMED DIRECT DAMAGES) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

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ARTICLE 13
INTELLECTUAL PROPERTY

13.1. Ownership of Intellectual Property.

(a) As between the Parties, (i) Paratek will remain the sole and exclusive owner of all Paratek Technology, and (ii) Zai will remain the sole and exclusive owner of all Zai Technology.

(b) Ownership of all Inventions will be assigned based on inventorship, as determined in accordance with the rules of inventorship under United States patent laws. Each Party will own all Inventions, that are made solely by its and its Affiliates' employees, agents, and independent contractors, that are made during the performance of activities under this Agreement ("**Sole Inventions**"). The Parties will jointly own all Inventions that are made jointly by the employees, agents, and independent contractors of one Party and its Affiliates together with the employees, agents, and independent contractors of the other Party and its Affiliates ("**Joint Inventions**"). Patents covering the Joint Inventions will be referred to as "**Joint Patents**." Each Party will own an undivided half interest in the Joint Inventions, without a duty of accounting or an obligation to seek consent from the other Party for the exploitation or license of the Joint Inventions (subject to the licenses granted to the other Party under this Agreement). Zai hereby grants to Paratek a non-exclusive, royalty-free, fully paid-up, sublicensable license under Zai's Sole Inventions, solely for Paratek to Develop, Manufacture, or Commercialize products outside of the Territory and Manufacture products in the Territory.

13.2. Disclosure of Inventions. Each Party will promptly disclose to the other Party all Inventions, including all invention disclosure or other similar documents submitted to such party by its or its Affiliates' employees, agents, or independent contractors relating to such Inventions, and will also promptly respond to reasonable requests from the other Party for additional information relating to such Inventions.

13.3. Patent Prosecution.

(a) **Paratek Responsibilities**. Subject to Section 13.5(b), Paratek will have sole decision making authority, at its sole cost and expense, over Patent Prosecution and maintenance of applications and registrations covering (i) Paratek Know-How, Paratek Patents, and Paratek's Sole Inventions (such applications and registrations, the "**Paratek Prosecution Patents**") and (ii) Joint Inventions that are specific to the Licensed Products. Paratek will keep Zai reasonably informed of the status of all actions taken, and will consider in good faith Zai's recommendations with respect to the Paratek Prosecution Patents in the Territory and Joint Inventions that are specific to the Licensed Products worldwide.

(b) **Zai Responsibilities.** Zai will have sole decision making authority, at its sole cost and expense, over the Patent Prosecution and maintenance of patent applications and registrations covering (i) Zai Technology and (ii) Zai's Sole Inventions (such applications and registrations, the "**Zai Prosecution Patents**"). Zai will keep Paratek reasonably informed of the status of all actions taken, and will consider in good faith Paratek's recommendations with respect to the Zai Prosecution Patents and Joint Inventions prosecuted by Zai.

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(c) The Parties will discuss the appropriate allocation of responsibility with respect to Joint Inventions that are not specific to the Licensed Products.

(d) **Abandonment**.

(i) **Paratek Responsibilities**. Paratek will notify Zai of any decision to cease Patent Prosecution or maintenance of any Paratek Prosecution Patents owned by Paratek in the Territory, or Joint Patents prosecuted by Paratek, and will provide such notice at least 60 days prior to any filing or payment due date, or any other due date that requires action, in connection with such Paratek Prosecution Patent in the Territory or such Joint Patent. In such event, Paratek will permit Zai, at its sole cost and expense, to continue Patent Prosecution or maintenance of such Paratek Prosecution Patent in the Territory or such Joint Patent. If Zai decides to take over Patent Prosecution or maintenance of such Paratek Prosecution Patent or such Joint Patent, then Paratek will promptly deliver to Zai copies of all necessary files related to such Paratek Prosecution Patent or such Joint Patent and will take all actions and execute all documents reasonably necessary for Zai to assume such responsibility. For the avoidance of doubt, Zai's maintenance or Patent Prosecution of such Paratek Prosecution Patent or such Joint Patent will not change the Parties' respective ownership rights with respect to such Paratek Prosecution Patent or such Joint Patent.

(ii) **Zai Responsibilities**. Zai will notify Paratek of any decision to cease Patent Prosecution or maintenance of any Zai Prosecution Patents or Joint Patents prosecuted by Zai (if any), and will provide such notice at least 60 days prior to any filing or payment due date, or any other due date that requires action, in connection with such Zai Prosecution Patent (to the extent relating to the Licensed Product) or such Joint Patent. In such event, Zai will permit Paratek, at its sole cost and expense, to continue Patent Prosecution or maintenance of such Zai Prosecution Patent or such Joint Patent. If Paratek decides to take over Patent Prosecution or maintenance for a Zai Prosecution Patent or a Joint Patent, then Zai will promptly deliver to Paratek copies of all necessary files related to such Zai Prosecution Patent or such Joint Patent and will take all actions and execute all documents reasonably necessary for Paratek to assume such responsibility. For the avoidance of doubt, Paratek's maintenance or Patent Prosecution of such Zai Prosecution Patent or such Joint Patent will not change the Parties' respective ownership rights with respect to such Zai Prosecution Patent or such Joint Patent.

13.4. Patent and Trademark Prosecution Cooperation. With respect to all Patent Prosecution or trademark prosecution each Party will:

(a) execute any instruments to document their respective ownership consistent with this Agreement as reasonably requested by the other Party;

(b) make its employees, agents and consultants reasonably available to the other Party (or to the other Party's authorized attorneys, agents or representatives), to the extent reasonably necessary to enable the appropriate Party hereunder to undertake its Patent Prosecution responsibilities;

(c) cooperate, if necessary, with the other Party in gaining Patent term extensions; and

(d) act in good faith to coordinate its efforts under this Agreement with the other Party to minimize or avoid interference with the Patent Prosecution of the other Party's Patents to a Licensed Product or trademarks.

13.5. Enforcement.

(a) Each Party will notify the other within 30 Business Days of becoming aware of any alleged or threatened infringement by a Third Party of any of the Paratek Patents, Zai Patents, or Joint Patents which infringement adversely affects or is expected to adversely affect any Licensed Product, and any related declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of the Paratek Patents, Zai Patents, or Joint Patents (collectively "**Product Infringement**").

(b) Zai will have the first right to bring and control any legal action in connection with such Product Infringement in the Territory at its own expense as it reasonably determines appropriate. If Zai decides not to bring such legal action, it will so inform Paratek promptly and Paratek will have the right to bring and control any legal action in connection with such Product Infringement in the Territory at its own expense as it reasonably determines appropriate.

(c) Paratek will have the exclusive right to bring and control any legal action in connection with Product Infringement outside the Territory at its own expense as it reasonably determines appropriate.

(d) Each Party will have the first right in its territory to enforce the Joint Patents for any infringement that is not a Product Infringement at its own expense as it reasonably determines appropriate. If such Party decides not to bring such legal action, it will so inform the other Party promptly and the other Party will have the right to bring and control any legal action in connection with such infringement at its own expense as it reasonably determines appropriate.

(e) At the request of the Party bringing an action related to Product Infringement, the other Party will provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required by Applicable Law to pursue such action, at each such Party's sole cost and expense. In connection with an action related to Product Infringement, the Party bringing the action will not enter into any settlement admitting the invalidity or non-infringement of, or otherwise impairing the other Party's rights in the Paratek Patents, Zai Patents or Joint Patents (as applicable) without the prior written consent of the other Party.

(f) Any recoveries resulting from enforcement action relating to a claim of Product Infringement in the Territory will be first applied against payment of each Party's costs and expenses in connection therewith. Any such recoveries in excess of such costs and expenses will be split as follows: [*]

13.6. Defense.

(a) Each Party will notify the other in writing of any allegations it receives from a Third Party that the Exploitation of any Licensed Product or any embodiment of any technology or intellectual property licensed by a Party under this Agreement infringes the intellectual property rights of such Third Party. Such notice will be provided promptly, but in no event after more than 15 days following receipt of such allegations. Such written notice will include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Each Party will assert and not waive the joint defense privilege with respect to all communications between the Parties.

(b) In such event, the Parties will agree how best to mitigate or control the defense of any such legal proceeding, agree whether to enter into a joint defense agreement to, among other reasons, preserve the confidentiality of communications or cooperation between the Parties in relation to such defense, and determine which Party is best suited to assume the primary responsibility for the conduct of the defense of any such claim at their expense. The other Party will have the right, but not the obligation, to participate and be separately represented in any such suit at its sole option and at its own expense. Each Party will reasonably cooperate with the Party conducting the defense of the claim. If a Party or any of its Affiliates have been individually named as a defendant in a legal proceeding relating to the alleged infringement of a Third Party's Patents or other intellectual property right as a result of the Exploitation of a Licensed Product, then that Party will conduct the defense and the other Party will be allowed to join in such action, at its own expense.

(c) The Parties will keep each other informed of the status of and of their respective activities regarding any infringement litigation initiated by a Third Party concerning a Party's Exploitation of a Licensed Product or settlement thereof; provided, however, that no settlement or consent judgment or other voluntary final disposition of a suit under this Section 13.6 may be undertaken by a Party without the consent of the other Party which consent will not be unreasonably withheld or delayed.

ARTICLE 14
TERMS AND TERMINATION

14.1. Term. This Agreement will be effective as of the Effective Date, and will continue, on a region-by-region basis, in effect until the expiration of and payment by Zai of all Zai's payment obligations set forth in Section 9.4(c) applicable to such region (the "**Term**"). On a region-by-region basis, upon the natural expiration of this Agreement as contemplated in this Section 14.1, the licenses granted by Paratek to Zai under this Agreement in such region will become a fully paid-up, non-exclusive, perpetual, and irrevocable license.

14.2. Termination for Convenience. At any time prior to [*], Zai will have the right to terminate this Agreement in its entirety for any or no reason upon [*] written notice to Paratek. Following [*], Zai will have the right to terminate this Agreement in its entirety for any or no reason upon [*] written notice to Paratek. Zai shall terminate this Agreement if it determines that it will permanently discontinue all Development and Commercialization activities with respect to the Licensed Product under this Agreement.

14.3. Termination for Material Breach.

(a) This Agreement may be terminated in its entirety at any time during the Term upon written notice by either Party if the other Party materially breaches a material term of the Agreement and, if such breach is curable, such breach has not been cured within [*] ([*] if such breach is a material breach of any obligation under the Tufts Agreement) after notice requesting cure of such breach; provided that the applicable material breach cure period will not apply to [*], and [*] will have the right to terminate this Agreement, with immediate effect, upon written notice [*].

(b) For the avoidance of doubt, the Parties agree that [*] will be deemed material terms of the Agreement.

14.4. Termination for Patent Challenge. Except to the extent the following is unenforceable under the laws of a particular jurisdiction, Paratek may terminate this Agreement in its entirety, immediately if Zai or its Affiliates or Sublicensees, individually or in association with any other person or entity, commences a legal action challenging the validity, enforceability or scope of any Patents owned or Controlled by Paratek anywhere in the world Notwithstanding the foregoing, if Zai promptly terminates the sublicense agreement of any Sublicensee that commences a legal action challenging the validity, enforceability or scope of any Patents owned or Controlled by Paratek anywhere in the world, Paratek shall not have the right to terminate this Agreement under this Section 14.4.

14.5. Termination for Insolvency. Each Party will have the right to terminate this Agreement upon delivery of written notice to the other Party in the event that (a) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (b) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed within [*] of its filing, or (c) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

14.6. Election to Terminate. If either Party has the right to terminate under Sections 14.2 through 14.5, it may at its sole option, elect either to (a) terminate this Agreement and pursue any legal or equitable remedy available to it or (b) maintain this Agreement in effect and pursue any legal or equitable remedy available to it.

14.7. Effect of Termination.

(a) Upon the termination of this Agreement for any reason, all rights and licenses (including the rights and licenses with respect to the Licensed Product) granted to a Party herein will immediately terminate, and all sublicenses of such rights and licenses will also terminate; provided that the licenses granted by Zai to Paratek pursuant to Sections 2.3 and 13.1(b) will become perpetual and irrevocable to Develop, Manufacture and Commercialize Licensed Products worldwide. Termination of this Agreement for any reason will not release either Party of any obligation or liability which, at the time of such termination, has already accrued to the other Party or which is attributable to a period prior to such termination. Notwithstanding anything herein to the contrary, termination of this Agreement by a Party will be without prejudice to other remedies such Party may have at law or equity.

(b) Upon termination of this Agreement for any reason (other than termination by Zai pursuant to Section 14.3), the following additional provisions will apply:

(i) **Reversion of Rights to Paratek**. Any rights and licenses with respect to the Licensed Product granted to Zai under this Agreement will immediately terminate, and all such rights will revert back to Paratek.

(ii) **Regulatory Materials; Data.** Zai will, and will cause its Affiliates and Sublicensees to, at no cost to Paratek, (1) assign all Regulatory Materials and Regulatory Approvals of Licensed Products to Paratek to the maximum extent permitted by Applicable Law at the time of any such termination, and (2) assign all data generated by or on behalf of Zai while conducting Development, Manufacturing, or Commercialization activities under the Agreement to Paratek, including non-clinical and clinical studies conducted by or on behalf of Zai on Licensed Products and all pharmacovigilance data (including all Adverse Event database information) on Licensed Products.

(iii) **Trademarks.** Zai will, and will cause its Affiliates and Sublicensees, to promptly transfer and assign to Paratek, at no cost to Paratek, all Product Marks (excluding any such mark that include, in whole or in part, any corporate name or logos of Zai or its Affiliates).

(iv) **Transition Assistance**. Zai will, and will cause its Affiliates and Sublicensees, to provide assistance, [*], as may be reasonably necessary or useful for Paratek to commence or continue Developing, Manufacturing or Commercializing Licensed Products in the Territory, to the extent Zai is then performing or having performed such activities, including without limitation transferring or amending as appropriate, upon request of Paratek, any agreements or arrangements with Third Party to Develop, Manufacture, and Commercialize the Licensed Products in the Territory. To the extent that any such contract between Zai and a Third Party is not assignable to Paratek, then Zai will reasonably cooperate with Paratek to arrange to continue to and provide such services from such entity.

(v) **Ongoing Clinical Trial.** If at the time of such termination, any Clinical Trials for the Licensed Products are being conducted by or on behalf of Zai, then, at Paratek's election on a trial-by-trial basis: (1) Zai will, and will cause its Affiliates and Sublicensees to, fully cooperate with Paratek to transfer the conduct of all such Clinical Trials to Paratek and Paratek will assume any and all liability and costs for such Clinical Trials after the effective date of such termination; or (2) Zai will, and will cause its Affiliates and Sublicensees to, [*], orderly wind down the conduct of any such Clinical Trial which is not assumed by Paratek under clause (1).

(c) **Termination by Zai Due to Material Breach**. Upon termination of this Agreement by Zai pursuant to Section 14.3, [*] to the extent [*], including [*].

(d) **Royalty after Termination**. If (i) [*] terminates this Agreement pursuant to [*] or (ii) this Agreement is terminated [*], and if Paratek, itself or through an Affiliate or a Third Party, Commercializes any Licensed Product in the Territory, Paratek shall pay Zai a commercially reasonable royalty on the Net Sales of all such Licensed Products in the Territory at a royalty rate and duration to be determined by the Parties by good faith negotiations. If the Parties are unable to agree to terms within [*] of commencing such negotiations, the disputed terms will be resolved by arbitration as set forth in Section 15.4.

14.8. Survival. Termination or expiration of this Agreement shall not affect any rights or obligations of the Parties under this Agreement that have accrued prior to the date of termination or expiration. The following provisions will survive the termination or expiration of this Agreement for any reason: [*].

ARTICLE 15
DISPUTE RESOLUTION

15.1. General. The Parties recognize that a dispute may arise relating to this Agreement (a "**Dispute**"). Any Dispute, including Disputes that may involve the Affiliates of any Party, will be resolved in accordance with this ARTICLE 15.

15.2. Continuance of Rights and Obligations During Pendency of Dispute Resolution. If there are any Disputes in connection with this Agreement, including Disputes related to termination of this Agreement under ARTICLE 14, all rights and obligations of the Parties will continue until such time as any Dispute has been resolved in accordance with the provisions of this ARTICLE 15.

15.3. Escalation. Any claim, Dispute, or controversy as to the breach, enforcement, interpretation or validity of this Agreement will be referred to the Executive Officers set forth in Section 3.2(f) for attempted resolution. In the event the Executive Officers are unable to resolve such Dispute within 30 days of such Dispute being referred to them, then, upon the written request of either Party to the other Party, the Dispute will be subject to arbitration in accordance with Section 15.4.

15.4. Arbitration.

(a) If the Parties fail to resolve the Dispute through escalation to the Executive Officers under Section 15.3, and a Party desires to pursue resolution of the Dispute, the Dispute will be submitted by either Party for resolution in arbitration under the [*].

(b) There will be three arbitrators, the chairperson of whom will be appointed by the two party arbitrators. If, however, the aggregate award sought by the Parties is less than [*] and equitable relief is not sought, a single arbitrator will be chosen in accordance with the [*].

(c) The seat of arbitration will be [*] and the language of the proceedings will be English.

(d) The Parties agree that any award or decision made by the arbitral tribunal will be final and binding upon them and may be enforced in the same manner as a judgment or order of a court of competent jurisdiction. The arbitral tribunal will render its final award within nine months from the date on which the Request for Arbitration by one of the Parties wishing to have recourse to arbitration is received by the [*]. The arbitral tribunal will determine the dispute by applying the provisions of this Agreement and the governing law set forth in Section 16.5.

(e) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue, at the request of a Party, a pre-arbitral injunction, pre-arbitral attachment or other order to avoid irreparable harm, maintain the status quo, preserve the subject matter of the Dispute, or aid the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional or interim remedies in aid of arbitration as may be available under the jurisdiction of a competent court, the arbitral tribunal will have full authority to grant provisional or interim remedies and to award damages for the failure of any Party to the dispute to respect the arbitral tribunal's order to that effect.

(f) EACH PARTY HERETO WAIVES: (I) ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY, AND (II) ANY CLAIM FOR ATTORNEY FEES, COSTS AND PREJUDGMENT INTEREST.

(g) Each Party will bear its own attorney's fees, costs, and disbursements arising out of the arbitration, and will pay an equal share of the fees and costs of the administrator and the arbitrator; provided, however, that the arbitrator will be authorized to determine whether a Party is the prevailing party, and if so, to award to that prevailing party reimbursement for any or all of its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges, travel expenses, etc.), and/or the fees and costs of the administrator and the arbitrator.

(h) Notwithstanding anything in this Section 15.4, in the event of a Dispute with respect to the validity, scope, enforceability or ownership of any Patent or other intellectual property rights, and such Dispute is not resolved in accordance with Section 15.3, such Dispute will not be submitted to an arbitration proceeding in accordance with this Section 15.4, unless otherwise agreed by the Parties in writing, and instead, either Party may initiate litigation in a court of competent jurisdiction in any country in which such rights apply.

ARTICLE 16
MISCELLANEOUS

16.1. Force Majeure. Neither Party will be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God or any other deity, or acts, omissions or delays in acting by any Governmental Authority. The affected Party will notify the other Party of such force majeure circumstances as soon as reasonably practical, and will promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

16.2. Assignment. Neither Party may assign this Agreement to a Third Party without the other Party's prior written consent (such consent not to be unreasonably withheld); except that (a) Paratek may make such an assignment without Zai's consent to a successor to substantially all of the business of Paratek to which this Agreement relates (whether by merger, sale of stock, sale of assets or other transaction), (b) Zai may make such an assignment without Paratek's consent to a successor to substantially all of the business of Zai (whether by merger, sale of stock, sale of assets or other transaction), and (c) either Party may assign this Agreement to an Affiliate without the other Party's consent. This Agreement will inure to the benefit of and be binding on the Parties' successors and permitted assigns. Any assignment or transfer in violation of this Section 16.2 will be null and void and wholly invalid, the assignee or transferee in any such assignment or transfer will acquire no rights whatsoever, and the non-assigning non-transferring Party will not recognize, nor will it be required to recognize, such assignment or transfer.

16.3. Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

16.4. Notices. All notices which are required or permitted hereunder will be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Paratek:

Paratek Bermuda Ltd.
C/O Paratek Pharmaceuticals, Inc.
Address: 75 Park Plaza, 4th Floor
Boston, MA 02116
[*]

with a copy to:

Ropes & Gray, LLP
Address: 36/F, Park Place, Nanjing Road West, Shanghai 200040, China
[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

If to Zai:

Zai Lab (Shanghai) Co., Ltd.
Address: 1043 Halei Road, Building 8, Suite 502, Pudong, Shanghai, P.R. China, 201203
[*]

with a copy to:

Cooley LLP
Address: 3175 Hanover Street
Palo Alto, CA 94304 USA
[*]

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith**.** Any such notice will be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a Business Day; (b) on the Business Day after dispatch if sent by nationally-recognized overnight courier; or (c) on the fifth Business Day following the date of mailing if sent by mail.

16.5. Governing Law. This Agreement will be governed by and construed in accordance with the laws of [*] without reference to any rules of conflict of laws.

16.6. Entire Agreement; Amendments. The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof. All express or implied agreements and understandings, either oral or written, with regard to the subject matter hereof (including the licenses granted hereunder) are superseded by the terms of this Agreement. Neither Party is relying on any representation, promise, nor warranty not expressly set forth in this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties hereto.

16.7. Headings. The captions to the several Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the Sections of this Agreement.

16.8. Independent Contractors. It is expressly agreed that Paratek and Zai will be independent contractors and that the relationship between the two Parties will not constitute a partnership, joint venture or agency. Neither Paratek nor Zai will have the authority to make any statements, representations or commitments of any kind, or to take any action, which will be binding on the other Party, without the prior written consent of the other Party.

16.9. Waiver. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, will not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

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16.10. Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

16.11. Construction. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation", (c) the word "will" will be construed to have the same meaning and effect as the word "shall", (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person will be construed to include the person's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections, Schedules, or Exhibits will be construed to refer to Sections, Schedules or Exhibits of this Agreement, and references to this Agreement include all Schedules and Exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree", "consent" or "approve" or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or Section, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, and (k) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or" where applicable.

16.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Each Party will be entitled to rely on the delivery of executed facsimile copies of counterpart execution pages of this Agreement and such facsimile copies will be legally effective to create a valid and binding agreement among the Parties.

16.13. Language. This Agreement is in the English language only, which language will be controlling in all respects, and all versions hereof in any other language will be for accommodation only and will not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement, and any dispute proceeding related to or arising hereunder, will be in the English language. If there is a discrepancy between any translation of this Agreement and this Agreement, this Agreement will prevail.

{Signature Page Follows}

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IN WITNESS WHEREOF, the Parties intending to be bound have caused this License and Collaboration Agreement to be executed by their duly authorized representatives as of the Effective Date.

Paratek Bermuda Ltd.

By: /s/ William M. Haskel
Name: William M. Haskel
Title: Director
Date: April 21, 2017

Zai Lab (Shanghai) Co., Ltd.

By: /s/ Samantha Du
Name: Samantha Du
Title: CEO
Date: April 21, 2017

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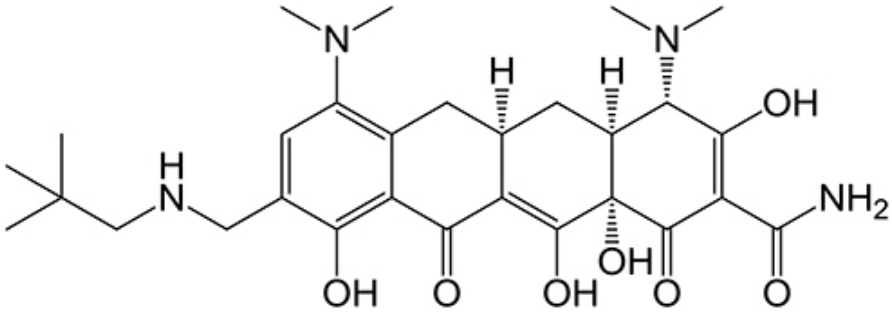
Schedule 1.23

Chemical Structure of the Compound

Omadacycline (OMC, PTK-796)

(4S,4aS,5aR,12aS)-4,7-bis(dimethylamino)-3,10,12,12a-tetrahydroxy-9-((neopentylamino)methyl)-1,11-dioxo-1,4,4a,5,5a,6,11,12a-octahydrotetracene-2-carboxamide



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Schedule 1.69
Paratek Patents as of the Effective Date

Country	M&E Ref.	Paratek Ref.	Type	Application No. Publication No.	Title	Filing Date	Patent No.	Issue Date	Expiration Date	Status
[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Schedule 2.4(b)

Material Sublicensees [*]

[*]

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Schedule 5.2
Initial Development Plan

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Schedule 8.4
Paratek Product Marks

Cntry	Trademark	Status	App. No.	Reg. No.
[*]	**[*]**	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.5

License and Transfer Agreement

by and between

GlaxoSmithKline (China) R&D Co., Ltd

and

Zai Lab (Shanghai) Co., Ltd.

October 18, 2016

License and Transfer Agreement

This License and Transfer Agreement (this "Agreement"), dated as of October 18, 2016 (the "Effective Date"), is made by and between GlaxoSmithKline (China) R&D Co., Ltd, a foreign invested enterprise duly established and validly existing under PRC law, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("GSK") and Zai Lab (Shanghai) Co., Ltd., a company duly organized and validly existing under PRC law, whose registered office is at 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang Hi-Tech Park, Shanghai, PRC ("Zai Lab"). GSK and Zai Lab are each referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, GSK owns, has in-licensed and/or otherwise controls certain intellectual property rights, including patent rights and know-how, with respect to certain proprietary compounds known as "FUGAN" and "GRAPE";

WHEREAS, Zai Lab is focused on the development of innovative drug candidates and is desirous of acquiring from GSK the right to develop and commercialize such proprietary compounds and funding all costs associated with all such activities.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions.

The following capitalized terms as used in this Agreement, whether in the singular or plural, will have their respective meanings as set forth below:

1.1 "Affiliate" means with respect to a Party any entity which (directly or indirectly) is controlled by, controls, or is under common control with, such Party. For the purposes of this definition, the terms "control" and "controlled" mean the direct or indirect ownership of more than fifty percent (50%) of the outstanding voting securities of an entity, or such other relationship as results in actual control over the management, assets, business and affairs of such entity.

1.2 "C.F.R" means the Code of Federal Regulations of the United States, as amended from time to time.

1.3 "CFDA" means the China Food and Drug Administration and any successor agency thereto.

1.4 "Commercialize" or "Commercialization" means any and all activities related to the import, export, marketing, detailing, promotion, distribution and/or sale of a pharmaceutical product in a country or region in the Territory pursuant to and in accordance with the Marketing Authorizations for such product in such country or region.

1.5 "Commercially Reasonable Efforts" means that the level of efforts to be expended by a Party under this Agreement with respect to the research, discovery, Development, Manufacture and/or Commercialization of Compounds and Products will be consistent with the level of reasonable, diligent, good faith efforts and resources that would normally be used by such Party (whether acting alone or through its Affiliates) for a pharmaceutical product of similar commercial potential at a similar stage in its lifecycle, and taking into account issues of safety and efficacy, product profile, market and profit potential, the patent and other proprietary position of the product, the then current competitive environment for such product, the likely timing of such product's entry into the market, the regulatory environment, and other relevant scientific, technical and commercial factors. Commercially Reasonable Efforts shall be determined on a market-by-market and indication-by-indication basis for a particular Product, and it is acknowledged and understood that the level of efforts will be different for different markets and will change over time.

1.6 "Compound" means FUGAN and/or GRAPE.

1.7 "Confidential Information" means any and all proprietary and/or confidential data, information or Know-How, of whatever kind and in whatever form or medium, that is disclosed by or on behalf of a Party to the other Party during the Term and in connection with this Agreement, including, without limitation, the Transferred Know-How and Development Know-How.

1.8 "Control" or "Controlled" means, with respect to any Know-How, Materials, Patent Rights, or other intellectual property, the possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by a Party of the ability to grant (and/or to ensure that its Affiliates grant) to the other Party the licenses, sublicenses, and/or rights to access and use, such Know-How, Materials, Patent Rights, or other intellectual property, as provided for herein without violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party or its Affiliates would be required hereunder to grant such license, sublicense, and/or rights of access and use.

1.9 "Covers" means, with reference to Patent Rights, that the performance of one or more activities related to the Development, Manufacture or Commercialization of a Compound or Product (or the use of any Materials in connection therewith) would infringe at least one claim of such Patent Right in the country(ies) in which such activities occur.

1.10 "Develop" or "Development" means to engage in research and development activities intended to research, discover or develop Compounds and/or to support INDs, NDAs or other Regulatory Approvals for Products, including, without limitation, (i) development of the applicable active drug substance(s), (ii) toxicology, pre-clinical and clinical drug development activities, (iii) clinical trials (except for Phase IV Studies), (iv) assay/test method development, validation and stability testing, (v) formulation development, (vi) manufacture of pre-clinical, clinical and commercial supplies, and manufacturing process development, scale-up and validation, (vii) quality assurance/quality control, statistical analysis, and regulatory affairs (including without limitation the preparation, submission and maintenance of all INDs and NDAs for the Products), and (viii) to have any of the activities described in (i)-(vii) performed.

1.11 "Development Costs" means any and all internal and out-of-pocket costs and expenses incurred by or on behalf of Zai Lab, its Affiliates licensees, and/or sublicensees in connection with the Development of the Products in the Territory pursuant to this Agreement. For clarity, Development Costs shall include, without limitation, the costs of manufacturing, any pre-clinical studies, Phase I Studies, Phase II Studies, Phase III Studies, Phase IV Studies, and any post-approval studies that are required by Regulatory Authorities as a condition to receiving Regulatory Approval for the Product.

1.12 "Development IP" means Development Know-How and Development Patents.

1.13 "Development Plan" means the development plan for the Compounds and Products attached hereto as Exhibit A.

1.14 "Development Program" means the program of Development activities to be undertaken by and on behalf of Zai Lab, its Affiliates, licensee and/or sublicensees to obtain and maintain Regulatory Approvals for one or more Products in the Territory, all as more fully described in the Development Plan. For clarity, all Development activities related to Compounds and Products undertaken by or on behalf of Zai Lab or any of its Affiliates, licensee or sublicensees will be considered as part of a Development Program.

1.15 "Development Know-How" means any and all Know-How generated as a result of activities performed pursuant to the Development Program.

1.16 "Development Patents" means any and all Patent Rights filed by or on behalf of Zai Lab to Cover any Development Know-How.

1.17 "EMA" means the European Medicines Agency and any successor agency thereto.

1.18 "EU" means the organization of member states of the European Union, including as it may be constituted from time to time.

1.19 "FDA" means the United States Food and Drug Administration and any successor agency thereto.

1.20 "Field" means the treatment, prevention and diagnosis of any and all diseases in humans.

1.21 "First Commercial Sale" means the first sale for use or consumption of any Product in a country or region in the Territory after a Regulatory Approval, Marketing Authorization and/or Expanded Access/Compassionate Use authorization (as defined by 21 C.F.R. part 312 subpart 1 or any analogous laws or regulations in other countries in the Territory) for the Product has been obtained in such country or region.

1.22 "Generic Product" means, with respect to a particular Product being Commercialized in a country or region in the Territory, a pharmaceutical product that (i) contains the same active ingredient(s) as the Product; and (ii) is being sold in such country or region by a Third Party; provided that such product is not being sold pursuant to a license or sublicense granted by Zai Lab or any of its Affiliates for such country or region, and/or was not manufactured and supplied to such Third Party by or on behalf of Zai Lab or its Affiliates for resale in such country or region.

1.23 "GRAPE" means the formulation with the profile set forth in Exhibit B.

1.24 "FUGAN" means the formulation with the profile set forth in Exhibit B.

1.25 "IND" means an Investigational New Drug application, Clinical Study Application, Clinical Trial Exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirements of such Regulatory Authority.

1.26 "Inventory" means all inventory of the Compounds and Products, including active pharmaceutical ingredient, finished product (if applicable), work in progress, raw materials, intermediates, retention samples, stability samples, that are in the possession of GSK or any of its Affiliates or being held on GSK's or any of its Affiliates' behalf as of the Effective Date.

1.27 "Know-How" means any and all proprietary commercial, technical, scientific and other data, information, materials, trade secrets, knowledge, technology, methods, processes, formulae, instructions, techniques, designs, drawings and specifications (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols).

1.28 "License Agreements" means that certain License and Assignment Agreement between GSK and Chengdu Bater Pharmaceutical Co., Ltd ("Bater"), dated July 15, 2013 and that certain Development and License Agreement between GSK and Traditional Chinese Medical Hospital, Xinjiang Medical University, dated September 25, 2014 ("Xinjiang", together with Bater the "Licensors").

1.29 "Licensed Patents" means those Patent Rights listed in Exhibit D, which are the Patent Rights licensed by GSK under the License Agreement, registrations, supplementary protection certificates and renewals of such Patent Rights, together with foreign equivalents of any of the foregoing).

1.30 "Manufacture" or "Manufacturing" means any and all activities related to the manufacture, formulation and packaging of Compounds and/or Products, including, without limitation, related quality control and quality assurance activities. For clarity, the Manufacture of pre-clinical, clinical and commercial supplies and Manufacturing activities related to process development and scale up work will also be considered part of Manufacturing.

1.31 "Marketing Authorization" means, with respect to a country or region in the Territory, all Regulatory Approvals and Pricing Approvals necessary to import, distribute, market and sell a pharmaceutical product in such country or region.

1.32 "NDA" means a New Drug Application or Supplemental New Drug Application filed with the FDA (including amendments and supplements thereto) to obtain Regulatory Approval in the U.S., or any corresponding applications or submissions filed with the relevant Regulatory Authorities to obtain Regulatory Approvals in any other country or region in the Territory.

1.33 "Net Sales" means the gross amount received for Product that is sold by Zai Lab or its Affiliates, licensees or sublicensees to the first Third Party (other than a licensee or sublicensee) after deducting, if not previously deducted, from such amount the following accrual basis deductions as applicable to such Products:

[*]

No deductions shall be made for commissions to any person on Zai Lab's or any of its Affiliate, licensee or sublicensee's payroll or for the cost of collection.

1.34 "Patent Rights" means any and all patents and patent applications in the Territory (which for purposes of this Agreement shall include certificates of invention and applications for such certificates), including, without limitation, any divisionals, continuations, continuations-in-part, substitutions, reissues, re-examinations, revalidations, extensions (including, without limitation, U.S. pediatric exclusivity patent extensions), registrations, supplementary protection certificates and renewals of any such patents or patent applications, together with foreign equivalents of any of the foregoing including the right to claim priority.

1.35 "Phase I Study" means a human clinical trial in any country or region that would satisfy the requirements of 21 C.F.R. 312.21(a) or the counterpart in such country or region, but which is not a Phase II Study, Phase III Study or Phase IV Study.

1.36 "Phase II Study" means a human clinical trial in any country or region that would satisfy the requirements of 21 C.F.R. 312.21(b) or the counterpart of it in such country or region, but which is not a Phase III Study or Phase IV Study.

1.37 "Phase III Study" means a large scale human clinical trial in any country or region that would satisfy the requirements of 21 C.F.R. 312.21(c) or the counterpart of it in such country or region, but which is not a Phase IV Study.

1.38 "Phase IV Study" means a clinical study or data collection effort for a Product that is initiated in one or more countries after the receipt of Regulatory Approval in such country(ies) and is principally intended to support the Commercialization of such Product in such country/countries and not to support or maintain the same or any additional Regulatory Approvals or otherwise obtain any labeling change. Phase IV Studies shall include, without limitation, clinical experience trials, but shall exclude post-approval studies that are required by a Regulatory Authority as a condition to receiving Regulatory Approval.

1.39 "Pricing Approvals" means in those countries in the Territory where Regulatory Authorities approve or determine pricing or pricing reimbursement for pharmaceutical products, such approval or determination.

1.40 "Product" means any pharmaceutical composition or preparation containing, as an active pharmaceutical ingredient, a Compound.

1.41 "Prosecute" or "Prosecution" means in relation to any Patent Rights, (a) to prepare and file patent applications, including, without limitation, re-examinations or re-issues thereof, and represent applicant(s) or assignee(s) before relevant patent offices or other relevant governmental authorities during examination, re-examination and re-issue thereof, in appeal processes and interferences, or any equivalent proceedings, (b) to defend all such applications against Third Party oppositions, (c) to secure the grant of any Patent Rights arising from such patent application, (d) to maintain in force any issued Patent Right (including, without limitation, through payment of any relevant maintenance fees and/or any patent term extension), and (e) to make all decisions with regard to any of the foregoing activities.

1.42 “Regulatory Approval” means, with respect to a country or region in the Territory, any and all approvals, licenses, registrations or authorizations from the relevant Regulatory Authority necessary in order to import, distribute, market and sell a pharmaceutical product in such country or region, but not including Pricing Approvals.

1.43 “Regulatory Authority” means the CFDA, FDA, the EMA, and any other analogous government regulatory authority or agency involved in granting approvals (including any required pricing and/or reimbursement approvals) for the Manufacture and/or Commercialization of pharmaceutical products in the Territory.

1.44 “Regulatory Exclusivity Period” means any period of data, market or other regulatory exclusivity (as distinct from and excluding any exclusivity arising under Patent Rights) for a Product in a country or region in the Territory under applicable laws, rules and regulations in such country or region which prevents any unlicensed Third Party from marketing, promoting or selling a Generic Product in such country or region, including, without limitation, any such exclusivity provided in countries in the EU under national laws and regulations implementation Section 10.1(a)(iii) of Directive 2001/EC/83 or any analogous laws or regulations in other countries in the Territory.

1.45 “Regulatory Materials” means the China, U.S. and foreign regulatory applications, submissions and approvals (including all INDs, NDAs, Regulatory Approval and all foreign counterparts thereof) for any Compound or Product, correspondence with the FDA and other Regulatory Authorities relating to any Compound or Product or any of the foregoing regulatory applications, submissions and approvals, in each case owned by GSK or any of its Affiliates or held on GSK’s or any of its Affiliates’ behalf as of the Effective Date.

1.46 “Renminbi” or “RMB” means the lawful currency of People’s Republic of China.

1.47 “Technology Transfer” means (i) delivery to Zai Lab of [*] either by direct shipment or by written transfer of ownership of samples located at a CRO and (ii) GSK’s granting access to its data room containing [*]. For avoidance of doubt, GSK may retain copies of all GSK documentation delivered to Zai Lab in its archives after the completion of Technology Transfer for archival, compliance and contract monitoring purposes.

1.48 “Territory” means worldwide.

1.49 “Third Party” means any person or entity other than GSK, Zai Lab and their respective Affiliates.

1.50 “Transferred Know-How” means the Know-How listed on Exhibit C Part II.

1.51 “United States” or “U.S.” means the United States of America, including its territories and possessions, and the District of Columbia.

1.52 “Valid Claim” means a composition-of-matter claim Covering a Compound or Product, and/or a method-of-use claim Covering the use of a Compound or Product for one or more indications at least one of which is the subject of a Regulatory Approval, of an issued and unexpired Licensed Patent which has not been revoked or held invalid or unenforceable by a final decision of a court or other governmental agency of competent jurisdiction with no further possibility of appeal.

2. Assignment.

2.1 Assignment. GSK hereby transfers, assigns and sells to Zai Lab all of its right, title and interest in and to the Licensed Patents, Transferred Know-How, Inventory, and Regulatory Materials to research, develop, make, have made, manufacture, use and commercialize the Compounds and Products in any indications in the Field, and such transfer, assignment and sale of all GSK’s right, title and interest in and to the License Patents, Transferred Know-how, Inventory and Regulatory Materials shall be effective upon GSK’s receipt of the upfront fee under Section 4.1.

2.2 Assignment and Assumption Agreement. As of the Effective Date, GSK and Zai Lab shall execute the assignment and assumption agreement substantially in the form attached hereto as Exhibit F, under which GSK will assign the License Agreements to Zai Lab. GSK will cause each of Bater and Xinjiang to execute the assignment and assumption agreement applicable to their respective License Agreements with GSK no later than [*] days after the Effective Date. Each such assignment and assumption agreement shall become effective upon [*].

2.3 Transfer of Third Party Services. Within [*] days following the Effective Date [*].

2.4 Licensing/Sublicensing by Zai Lab. To the extent that Zai Lab licenses or sublicenses to its Affiliates or to any Third Party under any Transferred Know-How and Licensed Patents, Zai Lab shall remain responsible for ensuring (and liable to GSK with respect to) the performance of and compliance by such Affiliates and/or Third Parties under the terms and conditions of this Agreement. Zai Lab shall ensure that any such license or sublicense agreement is consistent with the terms and conditions of this Agreement (in the case of a sublicense under the Licensed Patents, also consistent with the terms and conditions of the License Agreement) and complies with applicable laws, rules and regulations, including, without limitation, import and export control regulations.

2.5 Technology Transfer. [*].

2.6 No Implied Licenses. Nothing herein shall be construed as creating, granting or otherwise conveying to either Party any license or other right (whether by implication, estoppel or otherwise) other than those expressly provided for in this Agreement.

3. Development and Commercialization.

3.1 Product Development Program. After the Effective Date, Zai Lab will, either by itself or through its Affiliates, licensees and/or sublicensees, be solely responsible for designing and performing all aspects of the Development Program in accordance with the Development Plan, provided that Zai Lab may undertake changes to its development plans from time to time as long as it continues to satisfy its diligence obligations under this Agreement. Zai Lab will have sole responsibility and control for the managing and the financing of the Development Plan and all Development Costs. The primary focus of the Development Program will be to Develop and obtain Regulatory Approvals for one or more Products.

3.2 Regulatory, Manufacturing and Commercialization. After the Effective Date, (i) Zai Lab will be solely responsible for and control (at its own expense) all regulatory matters related to the Development and Commercialization of Compounds and/or Products in the Territory, including, without limitation, taking full responsibility for preparing and filing the relevant applications with the Regulatory Authorities for pre-clinical and clinical studies and for Regulatory Approval; and (ii) Zai Lab will be solely responsible for and control (at its own expense) all aspects of Commercialization of Products and the Manufacturing and supply of Products (including, without limitation, the Manufacture and supply of related Compounds being Developed by Zai Lab) in the Territory and will have sole responsibility for all costs arising therefrom.

3.3 Diligence. During the Term of this Agreement, Zai Lab shall use Commercially Reasonable Efforts to implement the Development Plan to Develop at least one (1) Product. Without limiting the generality of the foregoing, Zai Lab will use, and will cause its Affiliates, licensees and/or sublicensees to use Commercially Reasonable Efforts to Develop, Manufacture, seek Regulatory Approval and Marketing Authorization for, and following Regulatory Approval or Marketing Authorization to Commercialize FUGAN in China. Zai Lab will also use, and will cause its Affiliates, licensees and/or sublicensees to use, Commercially Reasonable Efforts to assess the feasibility to Develop, Manufacture, seek Regulatory

Approval or Marketing Authorization for, and following Regulatory Approval or Marketing Authorization, to Commercialize GRAPE in the Territory and FUGAN in countries and regions other than China, provided that the foregoing shall not be construed as requiring ZAI to conduct any Development program with respect to GRAPE. [*].

3.4 Record Keeping and Reports. Zai Lab will prepare and maintain, and will cause each of its Affiliates and any licensees or sublicensees to prepare and maintain, appropriate records (in accordance with its standard policies and procedures) regarding the Development and Commercialization of Compounds and/or Products. During the Term hereof, Zai Lab will provide GSK with annual reports setting forth (i) a summary of updated development progress and achievements of such Development and Commercialization tasks as set forth in the Development Plan and a listing of any Regulatory Approvals achieved for Products in the Territory, (ii), information relating to any Zai Lab's sublicensing under or assignment of this Agreement. Upon GSK's request at any time during the Term hereof, Zai Lab shall provide to GSK a complete list of its licensees and sublicensees of Transferred Know-How and Licensed Patents, as well as a true and complete copy of each license agreement and sublicense agreement (as the case may be) and each amendments thereto within three (3) days after the notification. Any and all such reports (and all data and information set forth therein), lists and agreements shall be considered Zai Lab's Confidential Information and shall be subject to the confidentiality and use restrictions under this Agreement.

3.5 Compliance.

(a) *Debarment*. Each Party hereby certifies (on behalf of itself and its Affiliates) that it will not and has not employed or otherwise used in any capacity the services of any person debarred under Title 21 United States Code Section 335a in performing any activities under this Agreement. Each Party shall immediately notify the other Party in writing if any such debarment occurs or comes to its attention, and shall, with respect to any person or entity so debarred, promptly remove such person or entity from performing any activities related to or in connection with the Development Plan or this Agreement.

(b) *FCPA Compliance*. Each Party shall, and shall ensure that its Affiliates and any Third Party contractors shall, comply with the United Stated Foreign Corrupt Practices Act (including as it may be amended) (the "FCPA"), and any analogous laws or regulations existing in any other country or region in the Territory, in connection with its *performance* under this Agreement. Neither Party will make any payment, either directly or indirectly, of money or other assets, including but not limited to compensation derived from this Agreement, to government or political party officials, officials of international public organizations, candidates for public office, or representatives of other businesses or persons acting on behalf of any of the foregoing, that would constitute violation of any law, rule or regulation.

(c) *Export Control*. This Agreement and the obligations of the Parties hereunder are made subject to, and limited by, all applicable restrictions concerning the export of products or technical information from the United States of America which may be imposed upon or related to Zai Lab or GSK from time to time by the government of the United States of America. Furthermore, each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any Products using such technical information to any country for which the United States government or any agency thereof at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the Department of Commerce or other agency of the United States government when required by an applicable statute or regulation.

(d) *Export and Other Restrictions*. This Agreement and obligations of the Parties hereunder are made subject to, and limited by, all applicable restrictions concerning the export of products, resources, materials or technologies from the People's Republic of China ("PRC" or "China", for the purpose of this Agreement excluding Hong Kong, Macau and Taiwan) which may be imposed upon or related to Zai Lab or GSK from time to time by the government of PRC. Zai Lab acknowledges and agrees that the Transferred Know-How, Licensed Patents and/or Inventory contains traditional Chinese

medicine substance and technologies which have been disclosed to Zai Lab prior to the Effective Date, and GSK will deliver all such Inventory and conduct Technology Transfer to the extent within the territory of PRC to Zai Lab. Zai Lab shall be solely responsible for the risk of export restrictions (if any) to any Compounds, Products, Inventory, Transferred Know-How and Licensed Patents, as well as the application and/or registration in respect of export of such products, resources, materials or technologies.

4. Payments and Royalties.

4.1 Up-Front Payment. Within [*] days after the Effective Date, Zai Lab will pay to GSK a one-time non-refundable, non-creditable up-front payment of four million five hundred thousand RMB (4,500,000 RMB).

4.2 Milestone Payments. In addition to the above, Zai Lab will pay to GSK each of the applicable milestone payments provided for in this Section 4.2 upon the occurrence of the indicated milestone event. Each such milestone payment will be due in RMB and payable only once to GSK within [*] days Zai Lab receives the applicable invoice from GSK, and Zai Lab shall notify GSK within [*] days after the achievement of the specified milestone event so that GSK may issue such invoice. Each such milestone payment shall be payable only once under this Agreement for each Compound (i.e., no more than twice under this Agreement, once for each Compound), and will be non-refundable, non-creditable and not subject to set-off. Following such payment, the subsequent repeated occurrence of the same milestone event by the same Compound or Product will not under any circumstances trigger any additional milestone payment as a result of such event.

Milestone Event	***Milestone Payment (RMB)***
For Product(s) containing FUGAN:	
[*]	[*]
For Product(s) containing GRAPE	
[*]	[*]

4.3 Royalties. Zai Lab will pay to GSK in RMB, on a Product-by-Product basis, running royalties on Net Sales of Products in the Territory at the applicable royalty rates, as set forth in the following table:

Aggregate Annual Net Sales of a Product in the Territory	***Royalty Rate***
[*]	[*]%
[*]	[*]%
[*]	[*]%

(a) *Duration of Royalty Obligations*. Zai Lab's obligation to pay royalties under Section 4.3 will be in effect during the "Royalty Period" which begins on the date of First Commercial Sale of a Product in the Territory and shall expire on a Product-by-Product and country-by-country basis upon the later of:

(i) the expiration of the last-to-expire Licensed Patent in China having a Valid Claim that Covers such Product;

(ii) the expiration of all Regulatory Exclusivity Periods that apply to such Product in such country; or

(iii) [*] after the First Commercial Sale of such Product in such country.

(b) *Additional Provisions Regarding Royalties*. For purposes of determining Zai Lab's royalty payment obligations under Section 4.3, all Products [*] will be treated as the same Product. Royalties when owed or paid hereunder will be non-refundable and non-creditable and not subject to set-off. Notwithstanding the definition of Product, in the event that Zai Lab or its Affiliates sells Product [*] to a Third Party, the royalty obligations of this Section 4.3 shall be applicable to such sales of [*] Product in the Territory.

(c) *Reports and Timing of Royalty Payments*. Starting on the date of First Commercial Sale of a Product in the Territory, Zai Lab will furnish to GSK a quarterly written report for each subsequent calendar quarter showing the Net Sales of all Products sold by Zai Lab, its Affiliates, licensees and sublicensees for which royalties are payable hereunder, and the royalties due to GSK on such sales. Each such royalty report shall be due within [*] days after the end of the relevant calendar quarter. The royalty payments due under Section 4.3 for each calendar quarter will be due and payable to GSK on the same date that the royalty report for the calendar quarter is due. Each royalty report shall describe in reasonable detail (based upon the data then available to Zai Lab) the Net Sales of each Product (including, without limitation, the *deductions* specified in clauses (i) through (iii) of the Net Sales definition) and the calculation of royalty payments due for the relevant calendar quarter. The information contained in each report under this Section 4.3(c) shall be considered Confidential Information of Zai Lab. For clarity, GSK's rights under this Section 4.3(c) is for monitoring purposes only. GSK's exercise of any rights under this Section 4.3(c) or any other terms hereunder shall not be construed as GSK's involvement in any Development, Manufacture, Commercialization, marketing, pricing, interactions with any healthcare professionals and/or governmental officials, or any other activities under the Development Plan and/or Development Program, and Zai Lab shall be solely responsible for all the activities as described under those reports.

4.4 Future Payment under the License Agreements. Zai Lab shall be solely responsible for any milestone payment due under the License Agreements for milestone events achieved after the Effective Date, including the milestone payment for [*].

4.5 Sublicense Revenue. If Zai Lab grants a sublicense, sells or otherwise divests the Licensed Patents and Transferred Know-How (other than a sublicense to its Affiliates and contractors) before [*] (provided that [*] sublicense, sale or divestment of the Licensed Patents and Transferred Know-how shall be [*] and shall [*]), then Zai Lab shall pay to GSK [*] of all consideration received by it and its Affiliates from and attributed to the sublicense, sale or divesture of the Licensed Patents and Transferred Know-How, but excluding any payments [*]. Such payments shall be made to GSK within [*] days after receipt by Zai Lab and/or its Affiliates. If the contemplated transactions are on product-by-product basis, [*] shall [*] relating to the sublicensing, selling or divesting Product.

4.6 Payment Terms. This Section 4.6 will apply to all payments to be made by Zai Lab to GSK hereunder.

(a) *Manner of Payment*. All payments to be made by one Party to the other Party under this Agreement shall be made in RMB and by bank wire transfer set forth in Exhibit E in immediately available funds to such bank account as may be designated in writing by such Party from time to time. In the case of royalties due on sales of Product outside the China, the rate of exchange to be used in computing on a monthly basis the applicable royalty due GSK in RMB shall be made at the rate of exchange published by the People's Bank of China, prevailing on to the last business day of the month preceding the month in which such sales are recorded.

(b) *Records and Audits*. Zai Lab will maintain (and will cause its Affiliates, licensees and/or sublicensees to maintain) accurate books and records of accounting to document the sales of Products and the calculation of royalties payable to GSK in the Territory. For a period of [*] following the end of the relevant calendar year, the relevant books and records will, upon written request by GSK, be made reasonably available for inspection by an internationally recognized firm of independent certified public accountants (to be selected by GSK and reasonably acceptable to Zai Lab) as reasonably necessary to verify the accuracy of royalty reports for the relevant period. Access to such books and records shall be during normal business hours and upon reasonable prior no*tice; provided* that in no event will any such audits or inspections be conducted more frequently than [*]. The auditors will, upon request, enter into a confidentiality agreement as reasonably requested by Zai Lab. The auditors will be permitted to disclose to GSK whether the royalty reports are correct or incorrect, the details and amounts of any discrepancies, and the books and records as well as associated documentations that illustrate the discrepancies. The auditors will also provide to Zai Lab, upon request, a copy of any audit reports and findings that are provided to GSK as a result of such inspection. If the auditors correctly identify any underpayments or overpayments, the amount of any underpayments will be paid to GSK by Zai Lab within [*] days of notification of the results of such inspection, and any overpayments will be fully creditable against amounts payable to GSK in subsequent periods. GSK will be solely responsible for the costs and expenses of any such audit inspections, except that in the event of an underpayment of aggregate royalties due and payable to GSK for a calendar year of more than [*] of the total amount properly due, Zai Lab will reimburse GSK for all the reasonable and documented audit fees expenses charged by the auditors for such audit inspection within [*] days after receipt of auditor's report, and pay to GSK within [*] days after receipt of such report the deficiency not previously paid plus the interests calculated based on Section 4.6(d).

(c) *Taxes*. GSK shall be liable for any applicable taxes under the PRC tax regulations, upon any payments made by Zai Lab to GSK pursuant to this Agreement. [*], Zai Lab agrees to [*] and GSK will [*] Furthermore, Zai Lab shall, upon request, provide GSK with reasonable assistance in order to assist GSK in seeking the benefit of any present or future tax exemptions which may apply to any payments due GSK under this Agreement.

(d) *Interest Due*. If any uncontested amount properly due and payable to a Party under this Agreement is overdue, then the paying Party will also pay interest on the unpaid amount accrued at the annual rate of RMB SHIBOR (Shanghai Interbank Offered Rate) 3 months plus [*] from the date of payment was due, prevailing on to the last business day of the month preceding the month in which such sales are recorded.

5. Ownership of Patents and Know-How/Technology Transfer.

5.1 Ownership of Development IP. Zai Lab shall own all rights, title and interests in or to any Development Patents and Development Know-How.

5.2 Trademarks. Zai Lab and/or its Affiliates shall be responsible (at its/their own expense) for and control the selection, registration, maintenance, enforcement and defense of any and all trademarks for the Products in the Territory. Zai Lab and/or its Affiliates shall own all rights, title and interest in and to any such trademarks and any related domain names associated with the Products or which contain the trademarks.

6. Patent Provisions.

6.1 Prosecution of Patent Rights. After the Effective Date, Zai Lab shall be solely responsible (at its own expense) for and shall control the Prosecution of the Development Patents and the Licensed Patents in the Territory, including any patent term extension.

6.2 Enforcement and Defense of Patent Rights.

(a) *Notice*. During the Term, each Party will promptly notify the other Party in writing upon learning of (1) any actual or suspected infringement by a Third Party of any Licensed Patents or Development Patents that Cover the Compounds, Products and/or the manufacture or use thereof, (2) any claim of invalidity, unenforceability of any such Patent Rights, and/or (3) any misappropriation or unauthorized use by a Third Party of the Transferred Know-How or Development Know-How. Any such notice shall identify the Third Party in question and contain a brief description (based upon available information) of the relevant actions that are believed to constitute such infringement, misappropriation or unauthorized use or upon which such claims of invalidity or unenforceability are based.

(b) *Enforcement.*

(i) *Right to Enforce*. Zai Lab shall have the sole right, but not obligation, to enforce and defend worldwide under its control, at its own expense, the Licensed Patents (subject to the terms and conditions of the License Agreement) and any Development Patents with respect to such infringement. Zai Lab shall have the sole right, but not obligation, to undertake and control any legal proceedings or other actions to so enforce and/or defend such Patent Rights worldwide. Zai Lab will do so at its own expense, and may undertake such proceedings and actions in the name of Zai Lab, as appropriate.

(ii) *Cooperation*. With respect to any legal proceedings or actions initiated under this Section 6.2(b):

(A) GSK shall have the right to consult with Zai Lab to participate in decisions regarding the appropriate course of conduct for such action, and the additional right to join and participate in such action at its own cost and expense (GSK shall join such action at Zai Lab's request if necessary for standing purposes); and

(B) GSK shall have the right to be represented by legal counsel of its own choice and at its own cost and expense in connection with any legal proceedings or other actions undertaken pursuant to this Section 6.2 to defend or enforce the Licensed Patents and Development Patents.

(C) Zai Lab shall keep GSK informed of any developments in the action.

(c) *Settlement*. Zai Lab shall have the right to settle the relevant claim or actions; provided, however, that Zai Lab shall not, without the prior written consent of GSK, enter into any settlement, consent judgment or other voluntary final disposition of any claim or action that would: (i) subject GSK or its Affiliates to an injunction or otherwise adversely impact any of GSK or GSK Affiliates' rights under this Agreement; (ii) impose any financial obligation upon GSK or its Affiliates; and/or (iii) constitute an admission of guilt or wrongdoing by GSK or its Affiliates.

6.3 Patent Marking. Zai Lab will comply, and will cause its Affiliates, licensees and sublicensees to comply with applicable laws, rules and regulations in governing the marking of pharmaceutical products in the Territory to identify the relevant issued patents.

7. Confidentiality.

7.1 Confidentiality.

(a) *Confidentiality Obligations*. One Party (the "Disclosing Party") may disclose or otherwise make available to the other Party (the "Receiving Party") certain of the Disclosing Party's Confidential Information for use in connection with this Agreement. For clarity, all Transferred Know-How, Licensed Patents (to the extent unpublished) and Development IP shall, upon the effective date of the transfer or assignment of each such intellectual property to Zai Lab, be deemed Confidential Information of Zai Lab. During the Term and for [*] years thereafter, the Receiving Party will keep confidential, will not disclose to any Third Party, and shall not use for any purpose other than as expressly permitted hereunder, any Confidential Information of the Disclosing Party. The foregoing obligations shall not apply to the extent that such information:

(i) was known to Receiving Party or any of its Affiliates prior to the time of disclosure (and such prior knowledge can be properly documented);

(ii) is or becomes public knowledge through no fault or omission of Receiving Party or any of its Affiliates;

(iii) is obtained by the Receiving Party (or its Affiliates) without restrictions of confidentiality from a Third Party under no obligation of confidentiality to the Disclosing Party or its Affiliates;

(iv) is independently developed by employees or agents of Receiving Party (or its Affiliates) without the aid, application or use of the Disclosing Party's Confidential Information (and such independent development can be properly documented); or

(v) is required by applicable law, rule, regulation, act or order of a governmental authority or agency, or a court of competent jurisdiction; provided, that the Receiving Party (1) promptly provides written notice of such requirement to the Disclosing Party so that the Disclosing Party can seek a protective order or other appropriate remedy to preserve the confidentiality of such information, (2) upon request, reasonably cooperates with the Disclosing Party in connection with such efforts, and (3) only discloses the minimum Confidential Information required to be disclosed in order to comply.

Any combination of features or disclosures shall not be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party. In addition, to the extent that any Confidential Information is disclosed pursuant to legal requirement in accordance with Section 7.1(a)(v), it shall remain otherwise subject to the confidentiality and non-use provisions of this Section 7.1.

(b) *Other Permitted Disclosures*. Each Party shall have the limited right to disclose the other Party's Confidential Information if and solely to the extent reasonably necessary (as reasonably determined based upon the advice of such Party's legal counsel) to be disclosed (1) to Third Parties and their respective legal counsel with whom such Party is negotiating a permitted assignment under Section 12.10, (2) to potential and actual licensees/sublicensees and other collaborators (and their legal counsel) of the Compounds or Products, and/or (3) to accredited investors, qualified institutional buyers, and qualified purchasers and their legal counsel (as such terms are defined in the U.S. Securities Act of 1933 and/or the U.S. Securities Exchange Act of 1934, as amended). Prior to making any such disclosure under this Section 7.1(b), such Party shall *ensure* that the recipient is subject to written obligations of confidentiality and non-use that are no less restrictive than those set forth in this Agreement, and such Party will limit the content and timing of any such disclosure as much as reasonably possible. Such Party shall remain responsible for and liable hereunder with respect to any breach caused by any of the foregoing.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

7.2 Publications. Zai Lab shall have the sole right to make a publication (including without limitation abstracts, papers, or verbal public presentations) related to the discovery, Development, Manufacture or Commercialization of Compounds and/or Products. In the event such publication may disclose any GSK's Confidential Information, Zai Lab shall first deliver to GSK a copy of the proposed publication (or an outline in the case of a planned verbal presentation) at least [*] days prior to submission for publication or presentation. GSK shall have the rights (1) to request modifications to the publication or presentation for patent reasons, trade secret reasons or business reasons and/or (2) to request a reasonable delay in publication or presentation in order to protect patentable information. If GSK requests modifications to the publication or presentation, Zai Lab shall edit such publication to prevent disclosure of trade secret or proprietary business information identified by GSK prior to submission of the proposed publication or presentation. If GSK requests a delay, Zai Lab shall delay submission or presentation for a period of [*] days to enable patent applications protecting GSK's rights in such information.

7.3 Disclosure of Agreement Terms. Promptly after the Effective Date, Zai Lab may issue a press release in the form attached hereto as Exhibit G. No other public disclosure of the non-public terms and conditions of this Agreement may be made by either Party, without the prior written consent of the other Party. However, each Party shall have the limited right to disclose the non-public terms and conditions of this Agreement to its Affiliates and/or if and solely to the extent reasonably necessary (as reasonably determined based upon the advice of such Party's legal counsel) to be disclosed (1) to Third Parties and their respective legal counsel with whom such Party is negotiating a permitted assignment under Section 12.10, (2) to potential and actual licensees/sublicensees and other collaborators (and their legal counsel) of the Compounds or Products, and/or (3) to accredited investors, qualified institutional buyers, and qualified purchasers and their legal counsel (as such terms are defined in the U.S. Securities Act of 1933 and/or the U.S. Securities Exchange Act of 1934, as amended). Prior to making any such disclosure under this Section 7.3, such Party shall ensure that the recipient is subject to written obligations of confidentiality and non-use that are no less restrictive than those set forth in this Agreement, and such Party will limit the content and timing of any such disclosure as much as reasonably possible to avoid and/or minimize the disclosure of competitively sensitive information. However, nothing in this Section 7.3 shall prohibit a Party from making such disclosures if and to the extent reasonably required to comply with applicable federal or state securities laws or any rule or regulation of any nationally recognized securities exchange; provided that in such event, the disclosing Party shall notify and consult with the other Party prior to such required disclosure and shall diligently seek confidential treatment to the fullest extent available.

8. Warranties; Limitations of Liability; Indemnification.

8.1 Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date that: (i) it is a limited liability company duly organized, validly existing, and in good standing under applicable laws; (ii) it has obtained all necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by it in connection with this Agreement; (iii) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on its part; and (iv) it has the legal right and power to enter into this Agreement, to extend the rights and licenses granted or to be granted to the other in this Agreement, and to fully perform its obligations hereunder.

8.2 Additional Representations and Warranties of GSK. GSK hereby represents and warrants to Zai Lab as of the Effective Date that, except as otherwise disclosed in writing by GSK on or before the Effective Date:

[*]

8.3 Disclaimers. Without limiting the respective rights and obligations of the Parties expressly set forth herein, each Party specifically disclaims any guarantee that any Products will be successful, in whole or in part. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, GSK MAKES NO REPRESENTATIONS AND EXTEND NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY TRANSFERRED KNOW-HOW, LICENSED PATENTS, DEVELOPMENT IP, COMPOUNDS, PRODUCTS, PATENT RIGHTS OR KNOW-HOW, INCLUDING WARRANTIES OF VALIDITY OR ENFORCEABILITY OF ANY RIGHTS, TITLE, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, PERFORMANCE, AND NONINFRINGEMENT OF ANY THIRD PARTY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS.

8.4 No Consequential Damages. IN NO EVENT WILL EITHER PARTY HAVE ANY CLAIMS AGAINST OR LIABILITY TO THE OTHER PARTY WITH RESPECT TO ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING ANY CLAIMS FOR LOST PROFITS OR REVENUES) ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN INFORMED OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THE FOREGOING LIMITATION SHALL NOT APPLY WITH RESPECT TO INDEMNITY FOR THIRD PARTY CLAIMS AS PROVIDED IN SECTION 8.5

8.5 Indemnification.

(a) *Indemnification by Zai Lab*. Zai Lab will indemnify, defend and hold harmless GSK, its Affiliates, and their respective directors, officers, employees and agents (collectively, "GSK Indemnitees") from and against any and all claims, demands, judgments, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "Liabilities") arising out of or in connection with any and all Third Party claims relating to: (i) any gross negligence, willful misconduct or breach of this Agreement (including its representations and warranties made under this Agreement) by Zai Lab or any of its Affiliates or sublicensees; or (ii) the Development, Manufacture or Commercialization by Zai Lab or any of its Affiliates, licensees or sublicensees of any Compounds or Products, except to the extent such Liabilities are subject to indemnification by GSK under Section 8.5(b) below.

(b) *Indemnification by GSK*. GSK will indemnify, defend and hold harmless Zai Lab, its Affiliates, and their respective directors, officers, employees and agents (collectively, "Zai Lab Indemnitees") from and against any and all Liabilities arising out of or in connection with any and all Third Party claims relating to any gross negligence, willful misconduct or any breach of this Agreement (including its representations and warranties in material aspects made under this Agreement) by GSK or any of its Affiliates, except to the extent such Liabilities are subject to indemnification by Zai Lab under Section 8.5(a) above. For the avoidance of doubt: (i) except as expressly set forth in Section 8.2, GSK makes no representation or warranty of any kind with respect to non-infringement of any Third Party patent rights; and (ii) GSK has no obligation to indemnify, defend or hold harmless Zai Lab Indemnitees, Zai Lab's licensees or sublicensees against any allegation that the Development, Manufacture, use, sale, offer for sale or import of any Compounds or Products infringes Third Party intellectual property rights, except in the case of GSK' breach of the representations and warranties expressly set forth in Section 8.2.

(c) *Procedures*. In the event that any Party intends to claim indemnification under this Section 8.5 with respect to a Liability, it shall promptly notify the other Party in writing of any such alleged Liability. The indemnifying Party shall have the right to control the defense thereof with counsel of its choice; provided, however, that the indemnified Party shall have the right to retain its own counsel, (with the fees and expenses to be paid by the indemnifying Party), if representation by the counsel retained by the indemnifying Party would be inappropriate due to actual or potential differing interests between the Parties in such proceeding. The affected Indemnitees shall, upon request, cooperate

reasonably with the indemnifying Party and its legal representatives in the investigation and defense of any action, claim or liability covered by this Section 8.5. Neither Party may settle any claim or action related to a Liability without the consent of the other Party, if such settlement would (i) impose any monetary obligation on the other Party (unless the indemnifying Party agreed to be solely responsible for such monetary obligation), (ii) constitute an admission of guilt or wrong-doing by the other Party, or (iii) require the other Party to submit to an injunction or otherwise limit the other Party's rights under this Agreement. Any payment made by the indemnified Party to settle any such claim or action without the indemnifying Party's consent shall be at indemnified Party's own cost and expense.

8.6 Insurance. Zai Lab will maintain at its sole cost and expense, an adequate liability insurance or self-insurance program (including product liability insurance) to protect against potential liabilities and risk arising out of activities to be performed under this Agreement and any agreement related hereto and upon such terms (including coverages, deductible limits and self-insured retentions) as are customary in the U.S. pharmaceutical industry for the activities to be conducted by such Party under this Agreement. The coverage limits set forth herein will not create any limitation on a Party's liability to the other under this Agreement.

9. Term and Termination.

9.1 Term. This Agreement will commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof, will continue in effect until the expiration of Zai Lab's royalty obligations to GSK under Section 4.3 in all countries in the Territory (the "Term"). However, effective upon the expiration of Zai Lab's royalty obligations to GSK with respect to a given Product in a given country or in the Territory, Zai Lab and its Affiliates, licensee and sublicensees shall have the right to continue to Commercialize the relevant Product in such country without further obligation to GSK.

9.2 Termination for Causes.

(a) *Termination by GSK*. GSK shall have the unilateral right to terminate this Agreement on [*] day's prior written notice if Zai Lab: (i) fails to reach the milestones scheduled in the Development Plan unless for reasons beyond the reasonable control of Zai Lab such as the requirements of competent Regulatory Authority, (ii) [*]. In the event of a good faith dispute with respect to the basis of any termination under Section 9.2(a)(iii), the cure period shall be tolled until such time as the dispute is resolved pursuant to Section 12.1 and GSK shall only have the right to terminate this Agreement if the dispute is resolved in its favor.

(b) T*ermination by Zai Lab*. Zai Lab may not terminate this Agreement before the completion of [*] unless for causes beyond the reasonable control of Zai Lab. Subject to the completion of [*], Zai Lab shall have the right to terminate this Agreement on [*] day's prior written consent.

9.3 Termination for Uncured Material Breach. In addition to the separate termination rights set forth in Sections 9.2(a) and 9.2(b), each Party shall have the unilateral right to terminate this Agreement at any time during its Term by providing written notice to that effect if the other Party is in material breach of one or more of its obligations hereunder and has not cured such breach within [*] days after the date of such notice. In the event of a good faith dispute with respect to the existence of a material breach covered by this section, the cure period shall be tolled until such time as the dispute is resolved pursuant to Section 12.1 and the Party seeking to terminate shall only have the right to do so if the dispute is resolved in such Party's favor.

9.4 Effects of Termination. The rights and obligations of the Parties upon termination of this Agreement shall be governed by the terms and conditions set forth in this Section 9.4 and in Section 9.5.

(a) *Termination by GSK for Zai Lab's Breach or Termination for Causes*. In the event of termination of this Agreement by GSK under Section 9.2(a) or Section 9.3 or termination of this Agreement by Zai Lab under Section 9.2(b):

(i) Except as may otherwise be agreed in writing by the Parties, Zai Lab will be responsible at its own expense for an orderly wind-down, in accordance with accepted pharmaceutical industry norms and ethical practices, of any then on-going clinical studies of the Products for which it has responsibility.

(ii) Zai Lab shall, upon GSK's request, [*] and/or [*] and, if requested by GSK, [*] and/or [*] and [*] and/or [*]. Zai Lab shall also [*].

(iii) [*] the Compounds and/or Products that are [*] and [*] or [*].

(iv) Zai Lab will [*] or [*].

(v) Should Zai Lab or any of its Affiliates have any remaining inventory of Compound and/or Product, Zai Lab shall [*].

(vi) If the agreement is terminated by Zai Lab under Section 9.2 (b) and at the time if such termination notice Zai Lab has completed [*], and if [*], then [*] Zai Lab [*], it being understood that [*], and [*].

(b) *Termination by Zai Lab for GSK's Material Breach*. In the event of termination of this Agreement by Zai Lab under Section 9.3:

(i) Zai Lab's further payment obligation under Sections 4.2 and 4.3 shall continue in full force and effect but [*], provided however that in the event of a dispute between the Parties as to whether grounds for termination pursuant to Section 9.3 have arisen, [*] unless and until the dispute is resolved [*] in accordance with Section 12.1, following which [*] (and GSK shall [*]).

9.5 Survival. Except as otherwise set forth in Section 9.4, the following provisions (as well as any other provision which by its terms is clearly intended to survive termination or expiration of this Agreement) will survive termination or expiration of this Agreement: Sections [*]. Termination or expiration of this Agreement will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations will terminate upon termination or expiration of this Agreement.

10. Prevention of Corruption

(a) Zai Lab acknowledges that it has received and read the 'Prevention of Corruption – Third Party Guidelines' (either in hard copy in Appendix or at http://www.gsk.com/policies/Prevention-of-Corruption-Third-Party-Guidelines.pdf) and agrees to perform its obligations under the Agreement in accordance with the principles set out therein.

(b) Zai Lab shall comply fully at all time with all applicable laws and regulations, including but not limited to applicable anti-corruption laws, of the territory in which Supplier conducts business with GSK.

(c) Zai Lab agrees that it has not, and covenants that it will not, in connection with the performance of the Agreement, directly or indirectly, make, promise, authorise, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it or GSK in obtaining or retaining business, or in any way with the purpose or effect of public or commercial bribery.

(d) Zai Lab shall not contact, or otherwise meet knowingly meet with any Government Official for the purpose of discussing activities arising out of or in connection with the Agreement, without the prior written approval of GSK and, when requested by GSK, only in the presence of a GSK designated representative.

(e) For the purpose of the Agreement, “Government Official” means: (a) any officer or employee of a government or any department, agency or instrument of a government; (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government; (c) any officer or employee of a company or business owned in whole or part by a government; (d) any officer or employee of a public international organisation such as the World Bank or United Nations; (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or (f) any candidate for political office; who, when such Government Official is acting in an official capacity, or in an official decision making role, has responsibility for performing regulatory inspections, government authorisations or licenses, or otherwise has the capacity to take decisions with the potential to affect GSK business.

(f) Zai Lab represents that except as disclosed to GSK in writing prior to the commencement of the Agreement, it has not been convicted of or pleaded guilty to a criminal offence, including one involving fraud or corruption, that it is not now, to the best of its knowledge, the subject of any government investigation for such offenses, and that it is not now listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government programs.

(g) Zai Lab represents and warrants that except as disclosed to GSK in writing prior to the commencement of the Agreement: (1) it does not have any interest which directly or indirectly conflicts with its proper and ethical performance of the Agreement; and (2) it shall maintain arms length relations with all third parties with which it deals for or on behalf of GSK in performance of the Agreement.

(h) GSK shall have the right during the terms of this Agreement to conduct an investigation and audit of Zai Lab, its Affiliates licensees and sublicensee’s activities under this Agreement to monitor compliance with the terms of this Section 10. Zai Lab shall cooperate fully with such investigation or audit, the scope, method, nature and duration of which shall be at the sole reasonable discretion of GSK but shall be during normal business hours and with two (2) week advance written notice, and shall not adversely affect Zai Lab or its Affiliates licensees and sublicensee’s normal business operation.

(i) Zai Lab shall ensure that all transactions under the Agreement are properly and accurately recorded in all material respects on its books and records and each document upon which entries such books and records are based is complete and accurate in all material respects. Supplier must maintain a system of internal accounting controls reasonably designed to ensure that it maintains no off-the-books accounts.

(j) Zai Lab agrees that in the event that GSK believes that there has been a possible violation of the terms of the Agreement, GSK may make full disclosure of such belief and related information at any time and for any reason to any competent government bodies and its agencies, and to whomsoever GSK determines in good faith has a legitimate need to know.

(k) GSK shall be entitled to terminate this Agreement immediately on written notice to Zai Lab, if Zai Lab fails to perform its obligations in accordance with this Section 10. Zai Lab shall have no claim against GSK for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with Section 9.2 and this Section 10. To the extent (and only to the extent) that the laws of the territory provide for any such compensation to be paid to Zai Lab upon the termination of this Agreement, Zai Lab hereby expressly agrees to waive (to the extent possible under the laws of the territory) or to repay to GSK any such compensation or indemnity resulting from termination of this Agreement under Section 9.2 and this Section 10.

11. Human Rights

(a) Zai Lab represents that, with respect to employment and conducting the activities under this Agreement, Institution will:

(i) not use child labor in circumstances that could cause physical or emotional impairment to the child;

(ii) not use forced labor (prison, indentured, bonded or otherwise);

(iii) provide a safe and healthy workplace; safe housing (if housing is provided by Zai Lab to its employees); and access to clean water, food, and emergency healthcare in the event of accidents in the workplace;

(iv) not discriminate against employees on any grounds (including race, religion, disability or gender);

(v) not use corporal punishment or cruel or abusive disciplinary practices;

(vi) pay at least the minimum wage and provide any legally mandated benefits;

(vii) comply with laws on working hours and employment rights;

(viii) respect employees' right to join and form independent trade unions;

(ix) encourage subcontractors under this Master Agreement to comply with these standards;

(x) maintain a complaints process to address any breach of these standards.

12. General Provisions.

12.1 Dispute Resolution. The Parties shall negotiate in good faith and use reasonable efforts to resolve or settle any dispute, controversy or claim arising from or related to this Agreement or the breach thereof. In the event that such dispute, controversy or claim is not resolved on an informal basis within twenty (20) days, any Party may, by written notice to the other, have such dispute referred to senior executives having decision-making authority on behalf of such Party, who shall attempt in good faith to resolve such dispute for a thirty (30) day period following receipt of such written notice. If the Parties do not fully settle by the foregoing process, and a Party then wishes to pursue the matter, each such dispute, controversy or claim that is not an Excluded Claim (as defined below) shall be finally resolved by binding arbitration administered by [*] in accordance with its arbitration rules and the procedures set forth in Exhibit H, attached hereto. Judgment on the arbitration award may be entered in any court having jurisdiction thereof. As used in this Section 12.1, the term "Excluded Claim" means a dispute, controversy or claim that concerns (i) the validity or infringement of a patent, trademark or copyright; or (ii) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory.

12.2 Relationship of Parties. The relationship of the Parties hereto is that of independent contractors. Nothing in this Agreement is intended or will be deemed to constitute a partnership, agency, employer-employee or joint venture relationship between the Parties. No Party will incur any debts or make any commitments for the other, except to the extent, if at all, specifically provided therein. There are no express or implied third party beneficiaries hereunder.

12.3 Compliance with Law. Each Party will perform or cause to be performed any and all of its obligations or the exercise of any and all of its rights hereunder in good scientific manner and in compliance with all applicable law.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

12.4 Governing Law. This Agreement and any dispute regarding the performance or breach hereof will be governed, interpreted and construed in accordance with the laws of [*], without respect to its conflict of laws rules.

12.5 Counterparts; Facsimiles. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument.

12.6 Headings. All headings in this Agreement are for convenience only and will not affect the meaning of any provision hereof.

12.7 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting party will not apply.

12.8 Interpretation. "Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Agreement in which any such word is used. References to any Articles or Sections include Articles, Sections and subsections that are part of the related Article or Section (*e.g.*, a section numbered "Section 2.1" would be part of "Article 2", and references to "Section 2.1" would also refer to material contained in the subsection described as "Section 2.1(a)").

12.9 Binding Effect. This Agreement will inure to the benefit of and be binding upon the Parties and their respective lawful successors and assigns.

12.10 Assignment. This Agreement may not be assigned by either Party, except as expressly permitted hereunder or otherwise without the prior written consent of the other Party, which consent will not be unreasonably withheld, delayed or conditioned; provided that, without any requirement for consent, (i) Zai Lab may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its stock or assets, and (ii) GSK may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its stock or assets to which this Agreement relates.

12.11 Notices. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly given upon the date of receipt if delivered by hand, recognized international overnight courier, confirmed facsimile transmission, or registered or certified mail, return receipt requested, postage prepaid to the following addresses or facsimile numbers:

If to GSK:	GlaxoSmithKline (China) R&D Company Limited Building 3, 898 Halei Road, Zhangjiang High-Tech Park, Shanghai 201203, China Attention: Director, Business Development
With a copy to:	GSK House 980 Great West Road Brentford, Middlesex, United Kingdom Attention: BDTT Legal
If to Zai Lab:	Zai Lab (Shanghai) Co., Ltd. 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Shanghai 201203, China Attention: Samantha Du, CEO

Either Party may change its designated address and facsimile number by notice to the other Party in the manner provided in this Section 12.11.

12.12 Amendment and Waiver. This Agreement may be amended or modified only by means of a written instrument signed by both Parties. The waiver by either Party hereto of any right hereunder, or of any failure of the other Party to perform, or of any breach by the other Party, shall only be effective if expressly made in writing. Any waiver of any rights or failure to act in a specific instance will relate only to such instance and will not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

12.13 Severability. In the event that any provision of this Agreement will, for any reason, be held to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect any other provision hereof, and the Parties will negotiate in good faith to modify this Agreement to preserve (to the extent possible) their original intent.

12.14 Entire Agreement. This Agreement is the sole agreement with respect to the subject matter and supersedes all other agreements and understandings between the Parties with respect to the same subject matter. The Exhibits to this Agreement are expressly incorporated herein by reference and shall be deemed a part of this Agreement.

12.15 Force Majeure. Failure of any Party to perform its obligations under this Agreement (except the obligation to make payments when properly due) shall not subject such Party to any liability or place them in breach of any term or condition of this Agreement to the other Party to the extent (and only to the extent) that such failure is due to fire, explosion, flood, drought, war, terrorism, riot, sabotage, embargo, strikes or other labor trouble, failure of suppliers, a national health emergency, compliance with any order or regulation of any government entity acting with color of right, or any other cause beyond the reasonable control of such non-performing Party and which is not caused by the negligence, intentional conduct or misconduct of the non-performing Party (each such event or cause referred to as "force majeure"). The Party affected shall promptly notify the other Party of the condition constituting force majeure as defined herein and shall exert reasonable diligent efforts to eliminate, cure or overcome any such event of force majeure and to resume performance of its obligations with all possible speed. If a condition constituting force majeure as defined herein exists for more than ninety (90) consecutive days, the Parties shall meet to negotiate a mutually satisfactory resolution to the problem, if practicable. The foregoing notwithstanding, nothing herein shall require any Party to settle on terms unsatisfactory to such Party any strike, lock-out or other labor difficulty, any investigation or proceeding by any public authority or any litigation by any Third Party.

12.16 Further Actions. Each Party hereby agrees to execute, acknowledge and deliver such further instruments, and to do all other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement including, without limitation, any filings with any government antitrust agency which may be required.

{Remainder of this Page Intentionally Left Blank}

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

IN WITNESS WHEREOF, the Parties have caused this License and Transfer Agreement to be executed by their respective duly authorized officers as of the Effective Date.

GlaxoSmithKline (China) R&D Co., Ltd

By: /s/ Min Li
(Signature)
Name: Min Li
Title: SVP, Global Head of Neuroscience TAU and GM of R&D China
Date: October 18, 2016

Zai Lab (Shanghai) Co., Ltd.

By: /s/ Ying Du
(Signature)
Name: Ying Du
Title: CEO
Date: October 18, 2016

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit A

Development Plan

Task	Estimated Start Date	Estimated End Date
FUGAN:		
[*]	[*]	[*]
GRAPE:		
[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit B

Structure of Compounds:

FUGAN:

The formulation comprising extracts from two traditional Chinese herbs, [*]

GRAPE:

the formulation comprising extracts from two traditional Chinese herbs, [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit C

Transferred Material, Data, Files and Documents

[*] (2 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit D

Licensed Patents

Patent Number	Patent title	Filing Date	Grant Date	Country
[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit E

Manner of the Payment

GSK will provide Zai Lab an invoice for each Payment and Royalty. The Payments and Royalties will be paid by wire transfer to GSK's account provided herein.

Wire transfer from Chinese external party:

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit F

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT
转让及承继协议

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment Agreement") is made and entered into as of [date], 2016 by and among GlaxoSmithKline (China) R&D Co., Ltd, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("Former Licensee"), and [Chengdu Bater Pharmaceutical Co., Ltd./ Traditional Chinese Medical Hospital, Xinjiang Medical University], which has its registered office at [ ] ("Licensor"), and Zai Lab (Shanghai) Co., Ltd., whose registered office is at 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Pudong New Area, Shanghai 201203, PRC ("New Licensee").

本转让与承继协议（"转让协议"）由以下各方于2016年【 】月【 】日签署：葛兰素史克（上海）医药研发有限公司，注册地址位于中国上海浦东新区张江高科技园区哈雷路898号3幢（"原被许可方"）；【成都拜特尔药业有限公司/新疆医科大学附属中医医院】，注册地址位于【】（"许可方"）；以及【再鼎医药（上海）有限公司】，注册地址位于中国上海市浦东新区张江高科技园区哈雷路1043弄8号502室（"新被许可方"）。

RECITALS
前言

WHEREAS, Former Licensee and Licensor are the parties to the [License and Assignment Agreement/Development and License Agreement] attached hereto as Exhibit I, which dated [July 15, 2013/ September 25, 2014] ("Existing Agreement"),

鉴于，原被许可方与许可方为作为本协议附件1的签署于【2013年7月15日/2014年9月25日】的【许可及转让协议/开发及许可协议】的缔约方（"当前协议"）。

WHEREAS, Former Licensee wishes to assign and transfer, and New Licensee wishes to accept and assume, all of Former Licensee's rights and obligations, respectively, under the Existing Agreement,

鉴于，原被许可方希望转让与让与，新被许可方希望接受并承继，原被许可方在当前协议下分别享有及承担的全部权利与义务。

WHEREAS, Former Licensee and New Licensee have executed the License and Transfer Agreement ("License and Transfer Agreement") on the same date hereof.

鉴于，原被许可方与新被许可方间于本协议同日签署了许可和转让协议（"许可转让协议"）。

WHEREAS, Licensor has agreed to consent to the assignment according to the terms set forth herein,
鉴于，许可方同意根据本转让协议条款进行上述转让。

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby agree as follows,
现，因此，基于上述背景及各方的共同承诺及协商，各方现达成以下约定，以资遵守。

1. **Assignment**. Former Licensee hereby conveys, assigns and transfers to New Licensee all its rights, title, interest and any and all liabilities and obligations in and to the Existing Agreement, and New Licensee hereby accepts and assumes the assignment of Former Licensee's right, title, interest, and any and all liabilities and obligations of Former Licensee under the Existing Agreements, and shall be bound by all of the terms of the Existing Agreements in Former Licensee's place and stead in every way as if New Licensee were a party to the Existing Agreements in lieu of Former Licensee ("Assignment").

转让. 原被许可方特此向新被许可方转让、授予及让与其在当前协议项下的全部权利、权限、利益及任何及所有责任及义务；新被许可方特此接受并承继原被许可方对其在当前协议项下全部权利、权限、利益及任何及所有责任及义务的转让，并代替原被许可方在任何方面接受当前协议全部条款的约束，如同新被许可方为当前协议的缔约方一样（"转让"）。

2. **Consent of Licensor.** Licensor hereby consents to the Assignment, and, with effect from the Effective Date, Licensor also undertakes to perform the Existing Agreement and to be bound by its terms in every way as if New Licensee were a party to the Existing Agreement in lieu of Former Licensee.

许可方的同意. 许可方特此同意上述转让，同时许可方承诺，自本转让协议生效日起，应履行当前协议，并在任何方面接受当前协议条款的约束，如同新被许可方自始代替原被许可方作为当前协议的缔约方一样。

3. **Change of Obligations and Notice.**
义务的变更及通知

3.1 Licensor hereby agrees and acknowledges that:
许可方特此同意并确认：

(i) as of the date hereof, Former Licensee has made the following payments to Licensor under the Existing Agreement in an aggregate amount of [*], including the settled payments as listed below, and any other payables by Former Licensee under the Existing Agreement shall be paid by New Licensee upon the Effective Date;
截至本转让协议签署之日，原被许可方已向许可方支付了当前协议下的下列款项共计[*],包括以下列示明细的已支付款项，同时，任何其他应由原被许可方向许可方支付的当前协议下的款项，应在本转让协议生效日起由新被许可方予以支付。

[Settled Payments to Licensor for FUGAN]
【关于FUGAN已向许可方支付款项】

[*]

[Outstanding payments to be made upon achievement of milestone events for FUGAN:]
【关于FUGAN根据阶段性事件的达成而待付款项包括：】

[*]

[Settled Payments to Licensor for GRAPE]
【关于GRAPE已向许可方支付款项】

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

[*]

(ii) as of the date hereof, Former Licensee is in compliance with all of the terms and conditions under the Existing Agreement and no default by Former Licensee under the Existing Agreement has occurred or is continuing;
截至本转让协议签署之日，原被许可方完全遵守当前协议下全部条款与条件，原被许可方在当前协议下没有已经发生或正在进行的违约行为。

(iii) unless otherwise provided herein, all the terms and conditions of the Existing Agreement and any exhibits or schedules thereof are in full force and effect and is enforceable in accordance with its terms.
除非本转让协议另行规定，当前协议的全部条款与条件及其任何附件或附表均根据当前协议的约定完全有效并具有执行力。

3.2 Licensor hereby releases, acquits and forever discharges Former Licensee from and of each covenant and condition of, and each liability or other obligation arising under, the Existing Agreement to be observed or performed by Former Licensee pursuant to the terms thereof and Former Licensee shall no longer be bound by, or have any obligation or liability in respect of, the Existing Agreement. [*][*]
许可方特此豁免、放弃要求并永久免除原被许可方履行原被许可方根据当前协议的约定，需要遵守或履行的各项承诺或条件，以及与之有关的各项责任或其他义务，同时原被许可方将不再受当前协议约束，不再需就当前协议履行任何义务或责任。**[*][*]**

3.3 Any notice or other communication between New Licensee and Licensor required or permitted hereunder under the Existing Agreement or any other documents in connection herewith shall be directed as follows:
新被许可方与许可方基于本转让协议、当前协议或任何其他相关文件的要求或许可所做出的任何通知或其他沟通，均应根据以下要求送达：

If to New Licensee:
若至新被许可方

Attn: Samantha Du, CEO
接收人：杜莹，首席执行官

Address: 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Shanghai 201203, China
地址：中国上海市张江高科技园哈雷路1043弄8号502室， 邮编201203

If to Licensor:
若至许可方：

Attn:
接收人：
Address:
地址：

4. **Continued Effectiveness.** This Assignment Agreement shall take effect from the date that New

Licensee fulfils its payment obligations as per section 2.2 of the License and Transfer Agreement ("Effective Date"). Except as otherwise provided herein, all terms and conditions of the Existing Agreements shall remain in effect and unchanged.
持续有效. 本转让协议于新被许可方完成其在许可转让协议第2.2条中的付款义务之日（"生效日"）起生效。除非本转让协议另有规定，当前协议的全部条款与条件仍然持续有效且未有变更。

5. **Governing Law.** This Assignment Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China.
适用法律. 本转让协议及其解释受中华人民共和国法律管辖。

6. **Dispute Resolution.** Any claim, controversy or dispute among the parties hereto arising out of, relating to, or in connection with this Assignment Agreement, including the interpretation, validity, termination or breach hereof, that cannot be settled amicably, shall be resolved in accordance with the dispute resolution provisions set forth in the Existing Agreement.
争议解决. 本转让协议各方之间，因本转让协议而产生或与本转让协议有关的任何主张、矛盾或争议，包括转让协议的解释、有效性、终止或违约行为，若无法经友好协商解决，将根据当前协议约定的争议解决条款予以解决。

7. **Counterparts.** This Assignment Agreement may be executed in [three/five] counterparts each of which shall be deemed an original and all of which shall be deemed one and the same instrument.
副本. 本转让协议由各方签署一式【三/五】份，每一份均被视为原件，全部【三/五】份副本构成且应被视为一份完整协议。

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IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be duly executed under seal on the date first written above.
各方已于文首标示的日期适当签署本转让协议，**以资遵守**。

GlaxoSmithKline (China) R&D Co., Ltd

葛兰素史克（上海）医药研发有限公司

By/ 签字 :_____

(Signature)

Name/ 姓名 :_____

Title/ 职位 :_____

Date/ 日期 :_____

Zai Lab (Shanghai) Co., Ltd.
再鼎医药（上海）有限公司

By/ 签字 :_____

(Signature)

Name/ 姓名 :_____

Title/ 职位 :_____

Date/ 日期 :_____

[LICENSOR NAME]

[许可方名称]

By/ 签字 :_____

(Signature)

Name/ 姓名 :_____

Title/ 职位 :_____

Date/ 日期 :_____

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Exhibit G

Press Release

ZAI Lab announces a global agreement with GlaxoSmithKline in two anti-inflammatory assets

Shanghai, China – 18 October 2016 – Zai Lab Ltd. announces today a global agreement with GlaxoSmithKline (GSK) to develop and commercialize one phase 2 clinical and one pre-clinical anti-inflammatory assets. Both assets are products targeting multiple anti-inflammatory indications.

Specific details have not been released, but this agreement gives Zai Lab's veteran team exclusive rights to lead future development of the products through clinical development, regulatory activities, and commercialization globally.

About Zai Lab

ZAI Lab is a leading biotech company based in China focused on discovering and developing innovative medicines for unmet medical needs globally. The company is building a strong portfolio of therapeutic programs aimed at transforming patients' lives. Zai Lab has a world class leadership team with deep experience at global pharmaceutical and biotech organizations. The team has a strong track record of success – successfully taken five novel drug candidates into clinical trials in China, pioneered new regulatory channels, secured regulatory approvals in record times, conducted multiple IND trials in the US, and brought the first China discovered drug into Global Phase III trials. Zai Lab is committed to build a globally leading drug research and development powerhouse with a culture of excellence and teamwork and a strong focus on fostering innovation and creativity. For more information, please visit www.zailaboratory.com

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Exhibit H

Arbitration Proceedings

1. The arbitration shall be conducted by a panel of three (3) persons experienced in the pharmaceutical business. Within thirty (30) days after initiation of an arbitration, each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within thirty (30) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the [*]. The place of arbitration shall be [*], and all proceedings and communications shall be in English.

2. Either Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award. The arbitrators shall have no authority to award any damages excluded by Section 8.4. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees of arbitration.

3. Except to the extent necessary to confirm an award or as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the dispute, controversy or claim would be barred by the applicable [*] statute of limitations.

4. The Parties agree that, in the event of a good faith dispute over the nature or quality of performance under this Agreement, neither Party may unilaterally terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. The Parties further agree that any payments made pursuant to this Agreement pending resolution of the dispute shall be refunded if an arbitrator or court determines that such payments are not due.

5. During the pendency of any arbitration the Parties shall continue to perform their respective obligations under this Agreement. To the extent that such performance involves any matter which is the subject of the dispute, claim or controversy being arbitrated, the Parties shall continue performance of such matter under this Agreement in such a manner as to the fullest extent possible maintain the status quo of the Parties with respect to the disputed matter.

Exhibit I

Prevention of Corruption – Third Party Guidelines

The GSK Anti-Bribery and Corruption Policy (POL-GSK-007) requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business. POL-GSK-007 requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of the GSK.

Corrupt Payments – GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorise, ratify or offer to make or make any "payments" of "anything of value" (as defined in the glossary section) to any individual (or at the request of any individual) including a "government official" (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business.

Government Officials – Although GSK´s policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a "quid pro quo" for business, due to the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to "payments" of "anything of value" (as defined in the glossary section), or at the request of, "government officials" (as defined in the glossary section).

Facilitating Payments – For the avoidance of doubt, facilitating payments (otherwise known as "greasing payments" and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited.

GLOSSARY

The terms defined herein should be construed broadly to give effect to the letter and spirit of the ABAC Policy. GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorising payments prohibited by this policy will not be tolerated.

Anything of Value: this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.

Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorisations of or payments of anything of value.

Government Official shall mean:

- Any officer or employee of a government or any department, agency or instrument of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or
- instrument of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organisation such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a
- political party; and/or
- Any candidate for political office

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Exhibit 10.6

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment Agreement") is made and entered into as of [October 13], 2016 by and among GlaxoSmithKline (China) R&D Co., Ltd, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("Former Licensee"), and Chengdu Bater Pharmaceutical Co., Ltd, which has its registered office at No. 52, Baihua East St., Wuhou District, Chengdu, Sichuan, China ("Licensor"), and Zai Lab (Shanghai) Co., Ltd. whose registered office is at 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Pudong New Area, Shanghai, China ("New Licensee").

RECITALS

WHEREAS, Former Licensee and Licensor are the parties to the License and Assignment Agreement attached hereto as Exhibit I, which dated July 15, 2013 ("Existing Agreement"),

WHEREAS, Former Licensee wishes to assign and transfer, and New Licensee wishes to accept and assume, all of Former Licensee's rights and obligations, respectively, under the Existing Agreement,

WHEREAS, Former Licensee and New Licensee have executed the License and Transfer Agreement ("License and Transfer Agreement") on the same date hereof.

WHEREAS, Licensor has agreed to consent to the assignment according to the terms set forth herein.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants arid agreements herein contained, and intending to be legally bound hereby, the parties hereby agree as follows,

1. **Assignment**. Former Licensee hereby conveys, assigns and transfers to New Licensee all its rights, title, interest and any arid all liabilities and obligations in and to the Existing Agreement, and New Licensee hereby accepts and assumes the assignment of Former Licensee's right, title, interest, and any and all liabilities and obligations of Former Licensee under the Existing Agreements, and shall be bound by all of the terms of the Existing Agreements in Former Licensee's place and stead in every way as if New Licensee were a party to the Existing Agreements in lieu of Former Licensee ("Assignment").

2. **Consent of Licensor**. Licensor hereby consents to the Assignment, and, with effect from the Effective Date, Licensor also undertakes to perform the Existing Agreement and to be bound by its terms in every way as if New Licensee were a party to the Existing Agreement in lieu of Former Licensee.

3. **Change of Obligations and Notice**.

3.1 Licensor hereby agrees and acknowledges that:

(i) as of the date hereof, Former Licensee has made the following payments to Licensor under the Existing Agreement in an aggregate amount of [*], including the settled payments as listed below, and any other payables by Former Licensee under the Existing Agreement shall be paid by New Licensee upon the Effective Date;

(1) Settled Payments include:

[*]

(2) Outstanding payments to be made upon achievement of milestone events under the Existing Agreement include:

[*]

(ii) as of the date hereof, Former Licensee is in compliance with all of the terms and conditions under the Existing Agreement and no default by Former Licensee under the Existing Agreement has occurred or is continuing;

(iii) unless otherwise provided herein, all the terms and conditions of the Existing Agreement and any exhibits or schedules thereof are in full force and effect and is enforceable in accordance with its terms.

3.2 Licensor hereby releases, acquits and forever discharges Former Licensee from and of each covenant and condition of, and each liability or other obligation arising under, the Existing Agreement to be observed or performed by Former Licensee pursuant to the terms thereof and Former Licensee shall no longer be bound by, or have any obligation or liability in respect of, the Existing Agreement. [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

3.3 Any notice or other communication between New Licensee and Licensor required or permitted hereunder under the Existing Agreement or any other documents in connection herewith shall be directed as follows:

If to New Licensee:

Attn: Samantha Du, CEO
Address: 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Pudong New Area, Shanghai, China

If to Licensor:

Attn: Jingmin Zhao
Address: No. 52, Baihua East St., Wuhou District, Chengdu, Sichuan, China

4. **Continued Effectiveness**. This Assignment Agreement shall take effect from the date that New Licensee fulfils its payment obligations as per section 2.2 of the License and Transfer Agreement ("Effective Date"). Except as otherwise provided herein, all terms and conditions of the Existing Agreements shall remain in effect and unchanged.

5. **Governing Law**. This Assignment Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China.

6. **Dispute Resolution**. Any claim, controversy or dispute among the parties hereto arising out of, relating to, or in connection with this Assignment Agreement, including the interpretation, validity, termination or breach hereof, that cannot be settled amicably, shall be resolved in accordance with the dispute resolution provisions set forth in the Existing Agreement.

7. **Counterparts**. This Assignment Agreement may be executed in three counterparts each of which shall be deemed an original and all of which shall be deemed one and the same instrument.

[The remainder of this page intentionally left blank; the signature page follows]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be duly executed under seal on the date first written above.

GlaxoSmithKline (China) R&D Co., Ltd

By: /s/ Min Li
(Signature)

Name: Min Li

Title: SVP, Global Head of Neuroscience TAU and GM of R&D China

Date: 2016.10.21

Zai Lab (Shanghai) Co., Ltd.

By: /s/ Ying Du
(Signature)

Name: Ying Du

Title: CEO

Date: 2016.10.24

Chengdu Bater Pharmaceutical Co., Ltd

By /s/ [ILLEGIBLE]
(Signature)

Name [ILLEGIBLE]

Title [ILLEGIBLE]

Date: 2016.10.13

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Exhibit I

License and Assignment Agreement

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LICENSE AND ASSIGNMENT AGREEMENT

Between

Chengdu Bater Pharmaceutical Co., Ltd

and

GlaxoSmithKline (China) R&D Co., Ltd

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

THIS LICENSE AND ASSIGNMENT AGREEMENT ("**Agreement**") is made on July 15, 2013 ("**Effective Date**")

BETWEEN:

(1) **Chengdu Bater Pharmaceutical Co., Ltd,** a limited liability company duly established and validly existing under the law of the People's Republic of China ("**PRC**"), whose registered address is at No. 52, Baihua East St., Wuhou District, Chengdu, Sichuan, China 610041 ("**CBP**"); and

(2) **GlaxoSmithKline (China) R&D Co., Ltd,** a foreign invested enterprise duly established and validly existing under PRC law, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("**GSK**").

BACKGROUND:

1. CBP is currently engaging in developing a Traditional Chinese Medicine incorporating Fugan for the treatment of diseases in dermatology ("**Fugan Program**") and has completed early stage researches;

2. GSK wishes to, by obtaining a license to and subsequent assignment of certain IPs and Know-how from CBP, participating in developing the Product worldwide (including China) with the ultimate purpose of manufacturing and commercializing the Product; and

3. CBP agrees to grant such a license and subsequently assign to GSK.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS

The following capitalized terms shall have the meanings given in this Section when used in this Agreement:

Affiliate(s)	with respect to any specified person (including without limitation any corporation or other business entity), any person that is directly or indirectly controlling, controlled by, or under common control with such first person for so long as such control exists. For the purposes of this definition, (a) "control" shall mean (i) the direct or indirect ownership of at least 50% of the outstanding shares or voting interest in such person; or (ii) the ability to direct the affairs of such

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	person through the power to appoint a majority of the directors or similar governing body of such person, an investment relationship, or contractual or other arrangements; and (b) "person" means any individual, corporation, partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or institution having recognition as a legal person or entity.
Agreement	this document, including its Schedules, as amended from time to time in accordance with Section 15.10;
Arising IP	all data, result, information, documents, Know-how, IPs, clinical trial materials, manufacturing technologies and protocols, supply information, regulatory dossier and packages for the Development, registration, manufacture and Commercialization of the Product generated during the Term of the Agreement and after Fugan Program Transfer;
Background IP	information, data, results, techniques, methods, processes, Know-how, Intellectual Property, software and materials (regardless of the form or medium in which they are disclosed or stored) that are granted by CBP or its Affiliates to GSK or its Affiliates for use under this Agreement and that are: (i) existing prior to the Effective Date; or (ii) independently discovered and developed during the Term by CBP or its Affiliates other than in performance of its obligations under this Agreement and without use of the Intellectual Property, Know-how or Confidential Information of GSK or its Affiliates;
Business Day	Monday to Friday (inclusive) except public holidays in the PRC;
CFDA	the China Food and Drug Administration or its predecessor;

CNY	Chinese Yuan, legal currency of the PRC;
Commercialization	with respect to a Product, the manufacture, marketing and sale of such Product. Commercialize and Commercializing shall be construed accordingly.
Confidential Information	any information (including without limitation any Know-how, results, and regulatory submissions) disclosed by one Party to other Party for use under this Agreement which a reasonable business person would determine to be secret or confidential or which is identified as confidential before or at the time of disclosure or other information which is identified as confidential before or at the time of disclosure (or, if orally, electronically or visually disclosed without being identified as confidential before or at the time of disclosure, that the disclosing Party, describes and references the place and date of such oral, electronic or visual disclosure and the names of the person(s) to whom such disclosure was made in a written document or documents delivered to the receiving Party within ten (10) days after such disclosure);
CTA	the approval issued by CFDA for conducting clinical trial on human subjects for drug products in China;
Development	all discovery, research and development work necessary to enable the manufacture of Products for Commercialization. Develop and Developing shall be construed accordingly;
Evaluation	studies conducted by GSK as specified in Schedule 2 to evaluate preclinical pharmacology, safety, manufacturing and supply processes for Fugan to support its future clinical development;

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Fugan	the materials from two herbs, [*];
Fugan Program Transfer	Delivery of all documents, non-clinical and clinical data, regulatory dossier and any other information under Fugan Program that is in possession of CBP as of the Effective Date concerning the Development of the Fugan, with details specified in Schedule 1;
GSK Criteria GSK	criteria specified in Schedule 2;
Intellectual Property or IP	Patents and other like forms of protection, copyrights, rights in databases, trade names, trade or service marks (whether registered or unregistered), trade secrets, domain names, design rights (whether registered or unregistered), including all applications for registration for the foregoing and all other similar proprietary rights as may exist anywhere in the world;
Know-how	all non-patentable information including, without limitation, information relating to data, results, technology, inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, source and supply, manufacturing processes, techniques and specifications, quality control data, analyses and reports, regulatory dossier and packages;
Marketing Authorization	in relation to a Product, those authorizations necessary from one or more regulatory authorities in the relevant country for the manufacture, marketing, distribution or sale of a medicinal product;
New Drug Certificate	a certificate issued by CFDA for any new drug product developed in China;
Party or Parties	Party means GSK and its Affiliates or CBP and its Affiliates, Parties means both GSK and CBP and their Affiliates;

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Patents	Patents and patent applications and all substitutions, divisions, continuations, continuations-in-part, any patent issued with respect to any such patent applications, any reissue, reexamination, utility models or designs, renewal or extension (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all counterparts thereof in any country;
Phase II Clinical Trial	preliminary evaluation of therapeutic effectiveness of a drug, for the purpose of preliminarily evaluating the therapeutic effectiveness and safety of the drug for patients with target indication(s), and provide evidence for design of Phase III Clinical Trial and settlement of administrative dose regimen;
Phase III Clinical Trial	confirmation of therapeutic effectiveness of a drug, for the purpose of further verifying drug therapeutic effectiveness and safety on eligible patients with target indication(s), evaluating overall benefit-risk relationships of the drug, and ultimately providing sufficient evidence for the review of drug registration application;
Product	a Traditional Chinese Medicine incorporating the Fugan in any formulation,;
TCM Approvals:	the approval(s) by PRC traditional Chinese medicine regulatory authorities with respect to the transfer, license, or technology exchange of traditional Chinese medicine research results or the collaboration with foreign entities or foreign invested entities in the research, development or other activities with respect to traditional Chinese medicine under the PRC Regulations on Traditional Chinese Medicine and the Provisional Measures regarding Foreign-related Administration of Traditional Chinese Medicine;
Term:	the term of this Agreement as specified in Section 11.1

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2 FUGAN PROGRAM TRANSFER AND DEVELOPMENT OF PRODUCT

2.1. CBP acknowledges that as of the Effective Date, it has completed the non-clinical study and certain clinical researches of the Fugan at its own costs and has duly obtained the CTA for conducting Phase II and Phase III Clinical Trial for the Products in China.

2.2. CBP shall complete the Fugan Program Transfer within thirty (30) days upon the Effective Date, and shall have a continuous obligation thereafter to provide any further materials, documents, information produced, completed, and available to CBP or any other assistance reasonably required by GSK throughout the Term of this Agreement, for the purpose of Developing, manufacturing and Commercializing the Product.

2.3. Upon completion of the Fugan Program Transfer, GSK will conduct the Evaluation. To the extent the Fugan Program meets GSK Criteria upon such Evaluation, GSK may decide to continue the subsequent Development of the Product, including but not limited to performing and funding Phase II and Phase III Clinical Trial in China subject to the terms and conditions of this Agreement.

2.4. CBP acknowledges that GSK's Evaluation and Development of the Product as contemplated in Section 2.3 above shall be made at its sole discretion and may be conducted by GSK or a third party designated by GSK ("**GSK Designated Party**").

2.5. CBP acknowledges and agrees that, GSK shall be solely responsible for the Development of the Product. In particular, GSK will exercise full control and take decisions in respect of the Developing activities for the Product, including but not limited to:

(i) Designing and finalizing the detailed implementation plans of the clinical trial protocol, informed consent form ("ICF") and any amendments thereto;

(ii) Evaluation and selection of trial sites and principal investigators;

(iii) Negotiating and entering into clinical trial agreements on behalf of CBP by using GSK approved templates;

(iv) Monitoring the clinical trials and remain as key contact with the sites for the clinical trials;

(v) Reviewing, handling and settling any adverse event claims arising from the Development of Product performed by GSK; and

(vi) Participating in the communication with any regulatory authorities in relation to the Development of the Product.

2.6. CBP, as the holder of CTA and the sponsor of the Phase II and Phase III Clinical Trials for the Product, shall provide necessary assistance and execute such document and/or enter into separate agreements with GSK or GSK Designated Party as reasonably required by GSK to complete Development, including but not limited to Phase II and Phase III Clinical Trials.

2.7. CBP shall maintain a valid CTA in the course of clinical trials under this Agreement. In case any changes need to be made in the clinical trial protocol in the course of such trials, CBP shall be responsible for obtaining appropriate approvals for such changed protocol, including but not limited to an approval by the ethics committee or a revised CTA from CFDA. Any actions to be taken by CBP or any written communication to be provided to the ethics committee or CFDA for the purpose of obtaining appropriate approvals for such changed protocol shall be subject to the prior written approval by GSK. In addition, GSK is entitled to participate in any discussion CBP may have with the ethics committee or CFDA with respect to the changed protocol.

2.8. Upon successful completion of Phase III Clinical Trial, at the sole discretion of GSK, CBP shall provide necessary assistance as reasonably required by GSK to complete: (i) a joint application by CBP and GSK or GSK Designated Party for the New Drug Certificate and/or Marketing Authorization of the Product, under which GSK or GSK Designated Party shall be identified as the manufacturer of the Product; or (ii) an application by CBP itself for the New Drug Certificate of the Product, and a subsequent supplemental application with CFDA when requested by GSK for technology transfer from CBP to GSK or GSK Designated Party so that GSK or GSK Designated Party can obtain the Marketing Authorization of the Product.

2.9. Subject to Section 2.8, GSK or GSK Designated Party shall be the sole holder of the Marketing Authorization of the Product in China.

2.10. [*]

3 LICENSE GRANT. OWNERSHIP AND ASSIGNMNT OF INTELLECTUAL PROPERTY

3.1. Subject to the terms and conditions of this Agreement and in furtherance of the Fugan Program Transfer, CBP will grant GSK and its Affiliates on the Effective Date a worldwide, royalty-free, exclusive license (even as to CBP), with rights to sublicense, to all of CBP's right, title, and interest (including worldwide rights and

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in all therapeutic areas and indications whether known or are subsequently discovered) in any and all Fugan Program, Fugan, and their related Background IP, including but not limited to IP, Know-how, data, clinical trial materials, manufacturing technologies and protocols, supply information, regulatory dossier and packages for the Development, registration, manufacture and Commercialization of the Product, to enable GSK to Develop, manufacture, and Commercialize such Product.

3.2. All Arising IP shall be owned solely by GSK.

3.3. During the Term of this Agreement, upon GSK's request, CBP shall assign and convey to GSK all of CBP's right, title and interest in and to the Background IP without any further payment from GSK.

3.4. CBP shall provide necessary assistance as reasonably required by GSK to complete the registration of such license and assignment with relevant authorities.

4 MANUFACTURING & COMMERCIALIZATION

4.1. GSK shall be solely responsible for, take all decisions in respect of and pay all costs of the manufacturing and Commercialization of the Products. CBP acknowledges that all decisions relating to the foregoing activities shall be taken by GSK in its sole discretion and that GSK shall be entitled to have GSK Designated Party participate in the manufacture and Commercialization of Products as GSK may consider appropriate.

5 PAYMENT

5.1. consideration of CBP's obligations under this Agreement, GSK agrees to make certain payments to CBP as set out in Sections 5.2 and 5.3.

5.2. GSK will make an upfront cash payment in a total amount of CNY [*] (the "**Upfront Payment**") to CBP within sixty (60) days upon signing of this Agreement and receipt by GSK of an invoice issued by CBP.

5.3. GSK shall make milestone payments to CBP up to a maximum total amount of [*] ([*], "**Milestone Payments**"). Each Milestone Payment to CBP will be paid within [*] upon receipt by GSK of an invoice issued by CBP upon achievement of each of the corresponding milestone events as follows;

Milestone Events	Amount (CNY)
[*]	**[*]**

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For the avoidance of doubt, each of the above Milestone Payments shall be one-off payment payable by GSK with respect to the corresponding milestone event as set out above, regardless of whether such event would happen again for any other Product either in China or elsewhere in the world.

5.4. CBP will provide GSK a complete, accurate and audit-worthy invoice for Upfront Payment and each Milestone Payment. The Upfront Payment and the Milestone Payments will be paid by wire transfer to CBP's account provided herein. The bank account of CBP as designated herein shall be the sole and permanent bank account confirmed by CBP, and shall not be changed except for Force Majeure reasons.

CBP's bank information:

Bank name: [*]

Account name: [*]

Account number: [*]

5.5. All amounts payable to CBP (including the Upfront Payment and Milestone Payments) are inclusive of any applicable tax (including any withhold tax) to which payments made by GSK are subject to, at the rate from time to time prescribed by applicable law. CBP alone shall be responsible for paying any and all taxes levied on account of, or measured in whole or in part by reference to, any payment received by CBP.

6 EXCLUSIVITY

6.1. During the Term, except for performance of its obligations hereunder, CBP shall not, by itself or through any Affiliate or third party, engage in any research and development activities directed towards the discovery, Development, manufacture, or Commercialization of any Product or any pharmaceutical product incorporating Fugan.

7 MANAGEMENT OF IP AND KNOW HOW

7.1. In furtherance of Section 3.3, GSK shall have the exclusive right to prepare, file, prosecute and/or maintain any protection for Arising IP at its own cost and expense. CBP agrees to and hereby does assign to GSK its right to file for patents for Arising IP in any country or region, including in the PRC. CBP will cooperate in the filing and prosecution of patent applications for Arising IP. At GSK's request, CBP will execute all necessary documents to effectuate the filing of patent applications related to Arising IP. At GSK's request and expense, CBP will assist GSK in its efforts to establish, perfect, and defend all IP rights relating to Arising IP, and execute any documents necessary to do the same (including

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assignments of rights, transfers, releases, affidavits, and declarations). CBP hereby designates GSK as its agent for, and grants to GSK a power of attorney with full power of substitution, which power of attorney will be deemed coupled with an interest, for the purpose of effecting the foregoing provisions.

7.2. Since the Effective Date, GSK shall be responsible for and shall undertake, and shall bear all costs and expenses in connection with, the filing, prosecution, maintenance and defense of the Background IP, provided however that CBP shall provide necessary assistance as reasonably required by GSK before the date of assignment and conveyance of the Background IP to GSK in accordance with Section 3.2.

7.3. Before ceasing to prosecute or maintain further in whole or in part any Background IP, GSK shall give at least [*] notice ("**Abandonment Notice**") of its intention to CBP and shall offer CBP the right to assume responsibility for the prosecution and maintenance of the IP in question.

7.4. Each Party shall give the other Party immediate notice of any infringement of any Background IP by a third party which, subject to any obligation of confidentiality owed to a third party, comes to that Party's attention during the Term of this Agreement.

7.5. If during the Term of this Agreement, any Party receives any notice, claim or proceedings from any third party alleging infringement of that third party's intellectual property by reason of any Party's activities in relation to this Agreement or the use and exploitation of any Background IP, then the Party receiving that notice shall forthwith notify the other Party of the notice, claim or proceeding and shall be entitled to defend and settle such claim or proceeding to the extent affecting the receiving Party, but shall not make any admission of liability on behalf of the other Party without that Party's consent.

7.6. GSK shall have the first right, but not the obligation, at its own cost to commence proceedings for infringement or misappropriation of any of the Background IP by a third party.

8 CONFIDENTIALITY

8.1. Subject to the terms of this Section 8, neither Party shall, during the Term and for a period of [*] years thereafter, disclose the other Party's Confidential Information to any third party, nor use the other Party's Confidential Information for any purpose other than for the purpose of performance of this Agreement.

8.2. No Party will be in breach of any obligation under Section 8.1 in disclosing the Confidential Information to the extent that the Confidential Information:

(i) is known to the Party making the disclosure before its receipt from the other Party, and not already subject to any obligation of confidentiality to the other Party;

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(ii) is or becomes publicly known without any breach of this Agreement or any other undertaking to keep it confidential;

(iii) has been obtained by the Party making the disclosure from a third party in circumstances where the Party making the disclosure has no reason to believe that there has been a breach of an obligation of confidentiality owed to the other Party;

(iv) has been independently developed by the Party making the disclosure;

(v) is disclosed pursuant to, and solely to the extent required to be disclosed to comply with, the requirement of any law or regulation or applicable listing rules or the order of any court of competent jurisdiction or any relevant governmental or stock exchange authority, provided the Party required to make the disclosure provides the other Party with prior written notice of such requirement and the information required to be disclosed, takes reasonable actions to avoid or minimize the extent of such disclosure, and, to the extent reasonably practicable, seeks protective and confidential treatment of the information to be disclosed;

(vi) is disclosed on a confidential and need-to-know basis (on terms at least as protective as those set forth herein) to the investigators, directors, officers, employees, Affiliates, permitted subcontractors, financial advisors, and attorneys of a Party; or

(vii) is approved for release in writing by an authorized representative of the other Party.

8.3. The Parties understand and acknowledge that CBP may possess certain information that are classified as state secrets of the PRC. CBP hereby covenants that it may not and shall not disclose to GSK any Confidential Information in violation of the PRC laws and rules on the protection of state secrets. CBP shall indemnify GSK for any losses or penalties suffered due to CBP's breach of the foregoing sentence.

8.4. Neither CBP nor GSK will use the name, trade-name, or logo of the other Party or its Affiliates in any press release, publication, or product advertising, or for any other promotional purpose, nor disclose the existence or terms of this Agreement without first obtaining the written consent of that Party.

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9 LIMITATION OF LIABILITY

9.1. CBP warrants that, to the best of its knowledge and belief (having made reasonable inquiries with its employees involved in the Fugan Program or likely to have relevant knowledge, but not having made any search of any public register), any advice or information given by it or any of its employees or any other persons engaged by CBP who work on the Fugan Program, or the content or use of any Background IP, Arising IP, or materials, works or information provided in connection with the Fugan Program, will not constitute or result in any infringement of any third party rights.

9.2. Except under the limited warranty in Section 9.1 and subject to Section 9.4, no Party accepts any responsibility for any use which may be made by the other Party of any Background IP or Arising IP, nor for any reliance which may be placed by the other Party on any Background IP or Arising IP, nor for advice or information given in connection with any Background IP or Arising IP.

9.3. Subject to Section 9.4, the liability of one Party to the other Party for any breach of this Agreement, any negligence of the other Party, or arising in any other way out of the subject matter of this Agreement, the Background IP, the Arising IP will not extend to any indirect or consequential damages or losses, or any loss of profits, loss of revenue, loss of data, loss of contracts or opportunity, whether direct or indirect, even if the Party bringing the claim has advised the other Party of the possibility of those losses, or if they were within the other Party's contemplation.

9.4. Nothing in this Agreement limits or excludes either Party's liability for:

(i) death or personal injury;

(ii) any fraud, corruption or for any sort of liability that, by law, cannot be limited or excluded; or

(iii) any loss or damage caused by a deliberate breach of this Agreement or a breach of Sections 3, 7 and 13.

9.5. The only undertakings and warranties given by the Parties in this Agreement are those expressly contained in this Agreement. All other warranties, conditions, terms, undertakings and obligations, whether implied by statute, principle of civil law, custom, trade usage, course of dealing or in any other way are hereby disclaimed by the Parties to the fullest extent permitted by law.

10 FORCE MAJEURE

10.1. If the performance by one Party of any of its obligations under this Agreement is delayed or prevented by circumstances that are reasonably unforeseeable and

are beyond its reasonable control ("**Force Majeure**"), that Party will not be in breach of this Agreement because of that delay in performance provided, provided that the Party affected by the Force Majeure shall, within ten (10) days after its occurrence, give notice to the other Party stating the nature of the circumstances, its anticipated duration and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is reasonably required and the Party affected by the Force Majeure shall use its reasonable efforts to remedy its inability to perform.

11 TERM AND TERMINATION

11.1. This Agreement begins on the Effective Date. Unless early terminated in accordance with Sections 2.8, 11 or 13, this Agreement shall continue in effect till each Party fulfils its rights and obligations hereunder.

11.2. GSK can terminate this Agreement at any time by [*] prior written notice to CBP after completion of the Evaluation.

11.3. The Parties acknowledge and agree that (i) CBP's obtaining of the TCM Approvals in accordance with Section 2.10, and (ii) the maintenance of the validity of CTA for Phase II and Phase III Clinical Trials of the Product by CBP, are of vital importance to GSK in entering into this Agreement. In the event that (i) such TCM Approvals are not procured in accordance with Section 2.10, or (ii) the CTA for Phase II or Phase III Clinical Trials are held invalid by any regulatory authorities, CBP shall promptly notify GSK in writing and GSK may terminate this Agreement by written notice to CBP within [*] after receiving the notice by CBP.

11.4. Either Party may terminate this Agreement with immediate effect by written notice to the other Party if:

(i) the other Party is in breach of any provision of this Agreement and (if it is capable of remedy) the breach has not been remedied within [*] after receipt of written notice specifying the breach and requiring its remedy; or

(ii) the other Party becomes insolvent, or if an order is made or a resolution is passed for its winding up (except mergers or reorganizations as part of a voluntary dissolution), or if an administrator, administrative receiver or receiver is appointed over the whole or any part of that Party's assets, or if that Party makes any arrangement with its creditors, or anything happens which is analogous to any of these matters.

(iii) If there is a change in the legal or beneficial ownership of CBP or of its majority shareholders from the state existing at the Effective Date which GSK considers in its sole discretion to be significant, then GSK may terminate this Agreement immediately by written notice. CBP agrees to give GSK notice in writing of any such change within [*] of it becoming effective.

11.5. Sections 1, 3, 6, 7, 8, 9, 11, 12, 13, 14 and 15, and other Sections required by their nature or terms to survive, will survive the expiration of the Term or the termination of this Agreement for any reason and will continue indefinitely (unless the terms thereof expressly provide for a shorter survival period).

11.6. Termination of this Agreement for whatever reason shall not affect the accrued rights of the Parties arising in any way out of this Agreement as at the date of termination or expiry and in particular but without limitation the right to recover damages and interest.

12 WARRANTIES

12.1. CBP warrants to GSK that:

(i) its Background Knowledge and Licensed IP are free from all charges and encumbrances (including without limitation rights of any third party);

(ii) it has conducted non-clinical studies and certain clinical researches in accordance with the applicable laws and regulations;

(iii) it has obtained the CTA for Phase II and Phase III Clinical Trial of the Product in accordance with applicable laws and regulations, no misrepresentation or untrue, inaccurate or misleading statement or information is made or provided in such application;

(iv) all data, documents, materials and dossier provided by CBP hereunder, including but not limited to the data of laboratory study of the Product, are true, accurate, complete and legally obtained;

(v) it will act with all due care and skill in implementing this Agreement, and that the CBP personnel involved in the Fugan Program have the requisite skills and experience to undertake the Fugan Program; and

(vi) it has complied and will comply with all applicable PRC laws and regulations in entering into and performing this Agreement (including without limitation the PRC Regulations on Traditional Chinese Medicine and the Provisional Measures regarding Foreign-related Administration of Traditional Chinese Medicine and the execution, delivery and performance of this Agreement and the ancillary agreements referred to herein does not violate any applicable laws, regulations or orders of the CBP's regulatory authority, or violate or contravene any agreements or documents binding upon it.

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12.2. CBP warrants to GSK that CBP is a company of legal person status duly organized and existing under PRC law, and has full power and authority under relevant laws and its constitutional documents, and has taken all necessary actions and obtained all authorizations, licenses, consents and approvals on or prior to the Effective Date, to allow it to enter into this Agreement and to perform its obligations under this Agreement, and will maintain the validity of all such authorizations, licenses, consents and approvals during the Term of this Agreement.

12.3. Unless otherwise required or prohibited by law, the Parties warrant to each other, to the best of their knowledge, that in relation to the performance of this Agreement, they:

(i) do not employ, engage or otherwise use any child labor in circumstances such that the tasks performed by any such child labor could reasonably be foreseen to cause either physical or emotional impairment to the development of such child;

(ii) do not use forced labor in any form (prison, indentured, bonded or otherwise) and its employees are not required to deposit papers or cash deposits before starting work;

(iii) provide their employees a safe and healthy workplace, presenting no immediate hazards, housing that is safe for habitation, and access to clean water, food, and emergency healthcare in the event of accidents or incidents in the workplace;

(iv) do not discriminate against any employees on any ground (including race, religion, disability or gender).

(v) do not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and do not use cruel or abusive disciplinary practices in the workplace;

(vi) pay each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is higher) and provide each employee with all legally mandated benefits;

(vii) comply with the laws on working hours and employment rights in the countries in which they operate; and

(viii) are respectful of their employees' right to join and form independent trade unions and freedom of association.

12.4. The Parties agree that they are responsible for controlling their own supply chain and that they shall encourage compliance with ethical standards and human rights by any subsequent supply of goods and services that are used by the Parties when performing their obligations under this Agreement.

12.5. The Parties will ensure that they have ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies.

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13 ANTI-CORRUPTION

13.1. CBP acknowledges receipt of the "Prevention of Corruption - Third Party Guidelines" (set out in Schedule 3, the "**Guidelines**") and agrees to perform its obligations under this Agreement, and to cause the CBP personnel to perform this Agreement, all in accordance with the Guidelines (as amended from time to time and provided to CBP by GSK).

13.2. CBP shall comply and shall cause the CBP personnel involved in performance of this Agreement to comply fully at all time with all applicable laws and regulations, including but not limited to applicable anti-corruption laws, of the territory in which CBP conducts business with GSK.

13.3. CBP agrees that it has not, and covenants that it will not, in connection with the performance of this Agreement, promise, authorise, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value, directly or indirectly: (i) to any individual including Government Officials (as defined below); or (ii) to an intermediary for payment to any individual including Government Officials; or (iii) to any political party. It is the intent of Parties that no payments or transfers of value will be made, promised, authorised, ratified or offered with the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of securing an improper advantage or obtaining or retaining business.

For the purpose of this section "Government Official" means: (a) any officer or employee of a government or any department, agency or instrument of a government; (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government; (c) any officer or employee of a company or business owned in whole or part by a government; (d) any officer or employee of a public international organization such as the World Bank or United Nations; (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or (f) any candidate for political office.

13.4. CBP will not contact, or otherwise meet with any Government Official with respect to any transactions required under this Agreement, without the prior written approval of GSK and, when requested by GSK, only in the presence of a GSK designated representative.

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13.5. CBP represents that it has not been convicted of or pleaded guilty to a criminal offence, including one involving fraud, corruption, or moral turpitude, that it is not now, to the best of their knowledge, the subject of any government investigation for such offenses, and that it is not now listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government programs.

13.6. CBP represents and warrants that except as disclosed in writing: (1) it does not have any interest which directly or indirectly conflicts with their proper and ethical performance of this Agreement; and (2) it will maintain arms length relations with all third parties (including government officials) with which they deal for or on behalf of GSK or in performance of this Agreement.

13.7. GSK will have the right during the term of this Agreement to conduct an investigation and audit of CBP to monitor compliance with the terms of this Section 13. CBP will cooperate fully with such investigation or audit, the scope, method, nature and duration of which will be at the sole reasonable discretion of GSK.

13.8. CBP will ensure that all transactions under this Agreement are properly and accurately recorded in all material respects on its books and records and each document upon which entries such books and records are based is complete and accurate in all material respects. CBP must maintain a system of internal accounting controls reasonably designed to ensure that it maintains no off-the-books accounts.

13.9. CBP agrees that GSK may make full disclosure of information relating to a possible violation of the terms of this Agreement at any time and for any reason to any competent government bodies and its agencies, and to whomsoever GSK determines in good faith has a legitimate need to know.

13.10. GSK shall be entitled to terminate this Agreement immediately on written notice to CBP, if CBP fails to perform its obligations in accordance with this Section 13. CBP shall have no claim against GSK for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with this Section 13. To the extent (and only to the extent) that the laws of the PRC provide for any such compensation to be paid to CBP upon the termination of this Agreement, CBP hereby expressly agrees to waive (to the extent possible under laws of the PRC) or to repay to GSK any such compensation or indemnity.

14 INDEMNIFICATION

14.1. CBP shall indemnify, defend and hold harmless GSK, its Affiliates, and its and their respective, directors, officers, employees and agents (collectively the "**GSK Indemnified Party**") against any and all claims, liabilities, losses, damages, costs or expenses, including reasonable attorneys' fees, (collectively, "**Losses**") incurred or suffered by the GSK Indemnified Party by reason of a claim brought by a third party to the extent arising out of or caused by:

(i) any warranty provided by CBP herein is or becomes untrue or inaccurate;

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(ii) the negligence, recklessness or misconduct of CBP or its Affiliates or any employees, officers, consultants or agents of either of the foregoing in connection with the Development of any Product and/or the Background Knowledge or the Licensed IP; or

(iii) the Development, distribution, marketing, promotion or sale of Products or the use of the Background Knowledge or the Licensed IP by GSK Indemnified Party.

14.2. In the event that any GSK Indemnified Party intends to seek indemnification for any claim under Section 14.1, it shall inform CBP of the claim promptly after receiving notice of the claim and shall permit CBP to direct and control the defense of the claim and shall provide such reasonable assistance as is reasonably requested by CBP (at CBP's cost) in the defense of the claim provided that nothing in this Section 14.2 shall permit CBP to make any admission on behalf of any GSK Indemnified Party, or to settle any claim or litigation which would impose any financial obligations on GSK or an GSK Indemnified Party without the prior written consent of GSK, such consent not to be unreasonably withheld or delayed.

14.3. GSK shall indemnify, defend and hold harmless CBP, its Affiliates, and its and their respective, directors, officers, employees and agents (collectively the "**CBP Indemnified Party**") against any and all Losses incurred or suffered by the CBP Indemnified Party by reason of a claim brought by a third party to the extent arising out of or caused by:

(i) any warranty provided by GSK herein is or becomes untrue or inaccurate; or

(ii) the willful misconduct of GSK or its Affiliates or any employees, officers, consultants or agents of either of the foregoing in connection with undertaking Phase II or Phase III Clinical Trial.

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15 GENERAL

15.1. **Notices:** Any notice to be given under this Agreement must be in writing, may be delivered by one Party to the other Party by any of the methods set out in the left hand column below, and will be deemed to be received on the corresponding day set out in the right hand column:

Method of service	**Deemed day of receipt**
By hand	the day of delivery
By courier	the second Business Day after posting
By recorded delivery post	the third Business Day after posting
By fax (provided the sender's fax machine confirms complete and error-free transmission of that notice to the correct fax number)	the next Business Day after sending or, if sent before 16:00 (sender's local time), on the day it was sent

The Parties' respective representatives for the receipt of notices are, until changed by written notice given in accordance with this Section, as follows:

For CBP:	**For GSK:**
Name: Address: 610041	Name: [*] Address: Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai 201203, China
Email: [*]	Email: [*]

15.2. **Headings:** The headings in this Agreement are for ease of reference only; they do not affect the construction or interpretation of this Agreement.

15.3. **Subcontracting:** It is recognized that each Party may engage or use any third party subcontractors (including contract research organizations) to perform any of its obligations under this Agreement. Any third party subcontractor engaged to perform obligations of a Party (the "**Subcontracting Party**") in this Agreement shall have sufficient expertise to meet the qualifications typically required by such Subcontracting Party for the performance of work similar in scope and complexity to the subcontracted activity. The Subcontracting Party shall remain liable for, and obligated to, perform all of its obligations under this Agreement and shall be liable for the performance of, and any acts, omissions or breaches by, each of its subcontractors. A Subcontracting Party shall be responsible for ensuring compliance by its third party subcontractors, if any, with all the terms of this Agreement, including without limitation obligations of confidentiality. Further, the

Subcontracting Party shall ensure in any subcontracting arrangement that GSK obtains sole ownership of all inventions, data and related Intellectual Property rights made or developed by such third party subcontractor relating to the Products.

15.4. **Assignment:**

(i) CBP agrees that it will not assign the whole or any part of this Agreement without GSK's prior consent in writing.

(ii) GSK shall subject to its issuing a written notice to the CBP to assign its rights and obligations hereunder to any Affiliate of it or to any successor in title to the whole or any part of its business.

15.5. **Illegal/unenforceable Sections:** If the whole or any part of any Section of this Agreement is void or unenforceable in any jurisdiction, the other Sections of this Agreement, and the rest of the void or unenforceable Section, will continue in force in that jurisdiction, and the validity and enforceability of that Section in any other jurisdiction will not be affected.

15.6. **Waiver of rights:** If one Party fails to enforce, or delays in enforcing, an obligation of the other Party, or fails to exercise, or delays in exercising, a right under this Agreement, that failure or delay will not affect its right to enforce that obligation or constitute a waiver of that right. Any waiver of any Section of this Agreement will not, unless expressly stated to the contrary, constitute a waiver of that Section on a future occasion.

15.7. **No agency:** Nothing in this Agreement creates, implies or evidences any partnership or joint venture between the Parties, or the relationship between them of principal and agent. Neither Party has any authority to make any representation or commitment, or to incur any liability, on behalf of the other Party.

15.8. **Entire agreement:** This Agreement constitutes the entire agreement between the Parties relating to its subject matter. Each Party acknowledges that it has not entered into this Agreement on the basis of any warranty, representation, statement, agreement or undertaking except those expressly set out in this Agreement. Each Party waives any claim for breach of this Agreement, or any right to rescind this Agreement in respect of, any representation which is not an express Section of this Agreement. However, this Section does not exclude any liability which either Party may have to the other Party (or any right which any Party may have to rescind this Agreement) in respect of any fraudulent misrepresentation or fraudulent concealment before signing this Agreement.

15.9. **Formalities:** Each Party will take any action and execute any document reasonably required by the other Party to give effect to any of its rights under this Agreement, or to enable their registration in any relevant territory provided the requesting Party pays the other Party's reasonable expenses.

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15.10. **Amendments:** No variation or amendment of this Agreement will be effective unless it is made in writing and signed by each Party's representative.

15.11. **Language:** This Agreement shall be written in both English and Chinese. Both language versions shall have equal validity and effect. In the event of any discrepancy between the two language versions, the English version shall prevail.

15.12. **Governing law:** This Agreement is governed by, and is to be interpreted in accordance with the laws of the PRC without regard to its principles of conflicts of law.

15.13. **Dispute resolution:**

(i) Any dispute, controversy or claim arising from or in connection with this Agreement, including any question regarding its existence, validity or termination ("**Dispute**"), must be resolved in the first instance through consultation between senior officers of CBP and GSK (or their respective nominees). If, within thirty (30) days following the date of the first written notification of the existence of a Dispute by one Party to the other Party, the Dispute cannot be resolved, the Dispute must be submitted to arbitration in accordance with the remaining Sections of this Section 15.13.

(ii) Any Dispute not resolved must be submitted to the China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration which must be conducted in accordance with CIETAC's arbitration rules in force as at the date of applying for arbitration. The seat of the arbitration will be Shanghai.

(iii) There will be three arbitrators. Each of GSK and CBP must appoint one arbitrator. The third arbitrator must be appointed by the other two appointed arbitrators. If a Party does not appoint an arbitrator who has consented to act within thirty (30) days after the notice of arbitration or if a third arbitrator has not been appointed who has consented to act within forty five (45) days after the notice of arbitration, then the relevant appointment must be made by the Secretary General of CIETAC.

(iv) The arbitration proceedings will be conducted in Chinese.

(v) The award of the arbitration tribunal will be final and binding upon the Parties. By agreeing to arbitration under this Section 15.13, the Parties irrevocably waive their right to any form of appeal, review or recourse to any state or court or other judicial authority, insofar as this waiver can be validly given. Any award may be enforced by any court of competent

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jurisdiction. Each Party expressly waives all rights to object to any proceedings related to arbitration, the enforcement of arbitration or any other arbitral or judicial proceedings including any defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state or any department thereof or an entity affiliated to a sovereign state or any department thereof.

(vi) Without prejudice to the Parties' agreement to arbitrate as set forth in this Section 15.13, any Party has the right to seek preservation of property, preservation of evidence, interim injunctive relief, provisional rulings or other interim relief or procedural assistance from a court of competent jurisdiction, both before and after the arbitral tribunal has been appointed, at anytime up until the arbitral tribunal has made its final award.

(vii) The costs of arbitration must be borne by the losing Party, unless otherwise decided by the arbitration award.

15.14. **Execution:** This Agreement is made in four (4) copies. CBP shall keep three (3) copy and GSK shall keep one (1) copy.

[The remainder of this page intentionally left blank; the signature page follows.]

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SIGNED for and on behalf of CBP:		SIGNED for and on behalf of GSK:	
Signature:	/s/ [ILLEGIBLE]	Signature:	/s/ Patrick Vallance
Name:	[ILLEGIBLE]	Name:	Patrick Vallance
Position:	[ILLEGIBLE]	Position:	President Pharmaceuticals R&D 3rd July 2013
Seal		Seal	

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Schedule 1

Fugan Program Transfer

I. CBP will deliver Fugan Program Transfer within [*] on Effective Date.

II. Following the Fugan Program Transfer, GSK will perform the following tests to verify Fugan and its property to complete the Fugan Program Transfer:

- [*]

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Schedule 2

GSK Evaluation and Criteria

- [*]

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Schedule 3

PREVENTION OF CORRUPTION - THIRD PARTY GUIDELINES

- The GSK Corporate Policy 007 on Preventing Corrupt Practice and Maintaining Standards of Documentation ("**GSK Policy 007**") requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business. GSK Policy 007 requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of the GSK.
- **Corrupt Payments -** GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorize, ratify or offer to make or make any "payments" of "anything of value" (as defined in the glossary section) to any individual (or at the request of any individual) including a "government official" (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business.
- **Government Officials** - Although GSK's policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a "quid pro quo" for business, due to the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to "payments" of "anything of value" (as defined in the glossary section), or at the request of, "government officials" (as defined in the glossary section).
- **Facilitating Payments -** For the avoidance of doubt, facilitating payments (otherwise known as "greasing payments" and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited.

GLOSSARY

The terms defined herein should be construed broadly to give effect to the letter and spirit of the GSK Policy 007. GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorizing payments prohibited by this policy will not be tolerated.

Anything of Value: this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or Section of any other asset, even if nominal in value.

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Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of anything of value.

Government Official shall mean:

- Any officer or employee of a government or any department, agency or instrument of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organization such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party;
- Any candidate for political office; and/or
- In many countries in which GSK conducts business, doctors and other healthcare providers may qualify as government officials because it is either (i) employed by a government-owned or funded hospital, clinic, university or other entity and/or (ii) receive funding, professional service fees or other remuneration from a government-owned or funded hospital, clinic, university or other entity.

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Exhibit 10.7

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment Agreement") is made and entered into as of October 14, 2016 by and among GlaxoSmithKline (China) R&D Co., Ltd, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("Former Licensee"), and Traditional Chinese Medical Hospital, Xinjiang Medical University, which has its registered office at 116 Huanghe Road, Urumqi, Xinjiang, PRC ("Licensor"), and Zai Lab (Shanghai) Co., Ltd. whose registered office is at 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Pudong New Area, Shanghai, China ("New Licensee").

RECITALS

WHEREAS, Former Licensee and Licensor are the parties to the Development and License Agreement attached hereto as Exhibit I, which dated September 25, 2014 ("Existing Agreement"),

WHEREAS, Former Licensee wishes to assign and transfer, and New Licensee wishes to accept and assume, all of Former Licensee's rights and obligations, respectively, under the Existing Agreement,

WHEREAS, Former Licensee and New Licensee have executed the License and Transfer Agreement ("License and Transfer Agreement") on the same date hereof.

WHEREAS, Licensor has agreed to consent to the assignment according to the terms set forth herein,

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby agree as follows,

2. **Assignment**. Former Licensee hereby conveys, assigns and transfers to New Licensee all its rights, title, interest and any and all liabilities and obligations in and to the Existing Agreement, and New Licensee hereby accepts and assumes the assignment of Former Licensee's right, title, interest, and any and all liabilities and obligations of Former Licensee under the Existing Agreements, and shall be bound by all of the terms of the Existing Agreements in Former Licensee's place and stead in every way as if New Licensee were a party to the Existing Agreements in lieu of Former Licensee ("Assignment").

3. **Consent of Licensor**. Licensor hereby consents to the Assignment, and, with effect from the Effective Date, Licensor also undertakes to perform the Existing Agreement and to be bound by its terms in every way as if New Licensee were a party to the Existing Agreement in lieu of Former Licensee.

4. **Change of Obligations and Notice**.

4.1 Licensor hereby agrees and acknowledges that:

(i) as of the date hereof, Former Licensee has made the following payments to Licensor under the Existing Agreement in an aggregate amount of [*], including the settled payments as listed below, and any other payables by Former Licensee under the Existing Agreement shall be paid by New Licensee upon the Effective Date;

[*]

(ii) as of the date hereof, Former Licensee is in compliance with all of the terms and conditions under the Existing Agreement and no default by Former Licensee under the Existing Agreement has occurred or is continuing;

(iii) unless otherwise provided herein, all the terms and conditions of the Existing Agreement and any exhibits or schedules thereof are in full force and effect and is enforceable in accordance with its terms.

4.2 Licensor hereby releases, acquits and forever discharges Former Licensee from and of each covenant and condition of, and each liability or other obligation arising under, the Existing Agreement to be observed or performed by Former Licensee pursuant to the terms thereof and Former Licensee shall no longer be bound by, or have any obligation or liability in respect of, the Existing Agreement. [*]

4.3 Any notice or other communication between New Licensee and Licensor required or permitted hereunder under the Existing Agreement or any other documents in connection herewith shall be directed as follows:

If to New Licensee:

Attn: Samantha Du, CEO
Address: 1043 Halei Road, Bldg 8, Suite 502, Zhangjiang High-Tech Park, Pudong New Area, Shanghai, China

If to Licensor:

Attn: Jihong Nie
Address: No. 116, Huanghe Road, Urumqi, Xijiang, China

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5. **Continued Effectiveness**. This Assignment Agreement shall take effect from the date that New Licensee fulfils its payment obligations as per section 2.2 of the License and Transfer Agreement ("Effective Date"). Except as otherwise provided herein, all terms and conditions of the Existing Agreements shall remain in effect and unchanged.

6. **Governing Law**. This Assignment Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China.

7. **Dispute Resolution**. Any claim, controversy or dispute among the parties hereto arising out of, relating to, or in connection with this Assignment Agreement, including the interpretation, validity, termination or breach hereof, that cannot be settled amicably, shall be resolved in accordance with the dispute resolution provisions set forth in the Existing Agreement.

8. **Counterparts**. This Assignment Agreement may be executed in five counterparts each of which shall be deemed an original and all of which shall be deemed one and the same instrument.

[The remainder of this page intentionally left blank; the signature page follows]

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IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be duly executed under seal on the date first written above.

GlaxoSmithKline (China) R&D Co., Ltd

By: /s/ Min Li
(Signature)

Name: Min Li

Title: SVP, Global Head of Neuroscience TAU and GM of R&D China

Date: 14 Oct. 2016

Zai Lab (Shanghai) Co., Ltd.

By: /s/ Ying Du
(Signature)

Name: Ying Du

Title: CEO

Date: 14 Oct. 2016

Traditional Chinese Medical Hospital, Xinjiang Medical University

By /s/ [ILLEGIBLE]
(Signature)

Name [ILLEGIBLE]

Title [ILLEGIBLE]

Date; 18 Oct. 2016

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Exhibit I

Development and License Agreement

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DEVELOPMENT AND LICENSE AGREEMENT

Between

TRADITIONAL CHINESE MEDICAL HOSPITAL, XINJIANG MEDICAL UNIVERSITY

and

GlaxoSmithKline (China) R&D Co., Ltd

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THIS DEVELOPMENT AND LICENSE AGREEMENT ("**Agreement**") is made on September 25, 2014 ("**Effective Date**")

BETWEEN:

(1) **Traditional Chinese Medical Hospital, Xinjiang Medical University**, a People's Republic of China ("**PRC**") hospital duly established and validly existing under PRC law, whose registered address is at 116 Huanghe Road, Urumqi, Xinjiang, PRC ("**Institution**"), and

(2) **GlaxoSmithKline (China) R&D Co., Ltd**, a foreign invested enterprise duly established and validly existing under PRC law, whose registered office is at Building 3, 898 Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC ("**GSK**")

BACKGROUND:

1 Institution has a discovery program on Shuang Huang Detoxifying Cream ("**SHDC**") for the treatment of diseases in dermatology ("**SHDC Program**") and has completed early stage researches,

2 Institution had previously obtained the [*] ("**Previous CTA Materials**") which can facilitate the process of CTA filing, Phase II and Phase III Clinical Trial for the Products to be conducted under this Agreement,

3 GSK wishes to, by obtaining a license to Previous CTA Materials, certain IPs and Know-how from Institution, develop, manufacturing and commercializing the Product, and

4 Institution agrees to grant such a license to GSK.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS

The following capitalized terms shall have the meanings given in this Section when used in this Agreement:

Affiliate(s)	with respect to any specified person (including without limitation any corporation or other business entity), any person that is directly or indirectly controlling, controlled by, or under common control with such first person for so long as such control exists For the purposes of this definition, (a) "control" shall mean (i) the direct or indirect ownership of at least 50% of the outstanding shares or voting interest in such person, or (ii) the ability to direct the affairs of such person through the power to appoint a majority of the directors or similar governing

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	body of such person, an investment relationship, or contractual or other arrangements, and (b) “person” means any individual, corporation, partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or institution having recognition as a legal person or entity
Agreement	this document, including its Schedules, as amended from time to time in accordance with Section 15 10,
Arising IP	all data, result, information, documents, Know-how, IPs, clinical trial materials, manufacturing technologies and protocols, supply information, regulatory dossier and packages for the Development, registration, manufacture and Commercialization of the Product generated during the Term of the Agreement,
Background IP	Previous CTA Materials, information, data, results, techniques, methods, processes, Know-how, Intellectual Property, software and materials (regardless of the form or medium in which they are disclosed or stored) that are (i) existing prior to the Effective Date, or (ii) independently discovered and developed during the Term by Institution or its Affiliates other than in performance of its obligations under this Agreement and without use of the Intellectual Property, Know-how or Confidential Information of GSK or its Affiliates,
Business Day	Monday to Friday (inclusive) except public holidays in the PRC,
CFDA	the China Food and Drug Administration or its predecessor,
CNY	Chinese Yuan, legal currency of the PRC,
Commercialization	with respect to a Product, the manufacture, marketing and sale of such Product Commercialize and Commercializing shall be construed accordingly
Confidential Information	any information (including without limitation any Know-how, results, and regulatory submissions) disclosed by one Party to other Party for use under this Agreement which a reasonable business person would determine to be secret or confidential or which is identified as confidential before or at the time of disclosure or other

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	information which is identified as confidential before or at the time of disclosure (or, if orally, electronically or visually disclosed without being identified as confidential before or at the time of disclosure, that the disclosing Party, describes and references the place and date of such oral, electronic or visual disclosure and the names of the person(s) to whom such disclosure was made in a written document or documents delivered to the receiving Party within ten (10) days after such disclosure),
CTA	the approval issued by CFDA for conducting clinical trial on human subjects for drug products in China,
Development	All discovery, research and development work necessary to enable the manufacture of Products for Commercialization Develop and Developing shall be construed accordingly,
Shuang Huang Detoxifying Cream or SHDC	the formulation comprising extracts from traditional Chinese herbs, [*],
SHDC Program Transfer	Upon receipt of the Upfront Payment as set froth in Section 5 2, delivery of all Background IP, documents, non-clinical and clinical data, regulatory dossier, and any other information under SHDC Program that is in possession of the Institution in any medium as of the Effective Date and during the Term concerning the Development of the SHDC as well as Pulian Ointment, with details specified in Schedule 1,
Intellectual Property or IP	patents and other like forms of protection, copyrights, rights in databases, trade names, trade or service marks (whether registered or unregistered), trade secrets, domain names, design rights (whether registered or unregistered), including all applications for registration for the foregoing and all other similar proprietary rights as may exist anywhere in the world,
Know-how	all non-patentable information including, without limitation, information relating to data, results, technology, inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, source and supply, manufacturing processes, techniques and specifications, quality control data, analyses and reports, regulatory dossier and packages,

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Marketing Authorization	in relation to a Product, those authorizations necessary from one or more regulatory authorities in the relevant country for the manufacture, marketing, distribution or sale of a medicinal product,
New Drug Certificate	a certificate issued by CFDA for any new drug product developed in China,
Party or Parties	Party means GSK and its Affiliates or Institution and its Affiliates, Parties means both GSK and Institution and their Affiliates,
Patents	patents and patent applications and all substitutions, divisions, continuations, continuations-in-part, any patent issued with respect to any such patent applications, any reissue, reexamination, utility models or designs, renewal or extension (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all counterparts thereof in any country,
Phase II Clinical Trial	preliminary evaluation of therapeutic effectiveness of a drug, for the purpose of preliminarily evaluating the therapeutic effectiveness and safety of the drug for patients with target indication(s), and provide evidence for design of Phase III Clinical Trial and settlement of administrative dose regimen,
Phase III Clinical Trial	confirmation of therapeutic effectiveness of a drug, for the purpose of further verifying drug therapeutic effectiveness and safety on eligible patients with target indication(s), evaluating overall benefit-risk relationships of the drug, and ultimately providing sufficient evidence for the review of drug registration application,
Product	any Traditional Chinese Medicine incorporating the SHDC in any formulation,
TCM Approvals	the approval(s) by PRC traditional Chinese medicine regulatory authorities with respect to the transfer, license, or technology exchange of traditional Chinese medicine research results or the collaboration with foreign entities or foreign invested entities in the research, development

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	or other activities with respect to traditional Chinese medicine under the PRC Regulations on Traditional Chinese Medicine and the Provisional Measures regarding Foreign-related Administration of Traditional Chinese Medicine
Term	the term of this Agreement as specified in Section 11 1

2 SHDC PROGRAM TRANSFER AND DEVELOPMENT OF PRODUCT

2 1 Institution acknowledges that as of the Effective Date, it has completed the non-clinical study and certain clinical researches of the SFIDC at its own costs and has obtained Previous CTA Materials which can facilitate process of the CTA filing, Phase II and Phase III Clinical Trail for the Products to be conducted under this Agreement

2 2 Institution shall complete the SHDC Program Transfer within five (5) days upon receipt of the Upfront Payment as set forth in Section 5 2, and shall have a continuous obligation thereafter to provide any further materials, documents, information produced, completed, and available to Institution or any other assistance reasonably required by GSK including but not limited to the activities as set forth in Schedule 1 throughout the Term of this Agreement, for the purpose of Developing, manufacturing and Commercializing the Product

2 3 Institution acknowledges and agrees that, GSK shall be solely responsible for leading the Development of the Product In particular, GSK will exercise full control and take decisions in respect of the Developing activities for the Product, including but not limited to

(i) Application for the CTA required for conducting Phase II and Phase III Clinical Trial for the Products in China, which application shall be jointly submitted by GSK and Institution,

(ii) Designing and finalizing the detailed implementation plans of the clinical trial protocol, informed consent form ("**ICF**") and any amendments thereto,

(iii) Evaluation and selection of trial sites and principal investigators,

(iv) Negotiating and entering into clinical trial agreements by using GSK approved templates,

(v) Monitoring the clinical trials and remain as key contact with the sites for the clinical trials,

(vi) Reviewing, handling and settling any adverse event claims arising from the Development of Product performed by GSK, and

(vii) Communicating with any regulatory authorities in relation to the Development of the Product

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2 4 Institution, as the joint holder of CTA, shall provide necessary assistance and execute such document and/or enter into separate agreements as reasonably required by GSK to complete the Development, including but not limited to support for applying for CTA and conducting Phase II and Phase III Clinical Trials

2 5 Institution shall cooperate with GSK to maintain a valid CTA in the course of clinical trials under this Agreement In case any changes, in GSK's sole discretion, need to be made in the clinical trial protocol in the course of such trials, Institution shall cooperate with GSK to obtain appropriate approvals for such changed protocol, including but not limited to an approval by the ethics committee or a revised CTA from CFDA GSK is entitled to lead in any discussion Institution may have with the ethics committee or CFDA with respect to the changed protocol Any actions to be taken by Institution or any written communication to be provided to the ethics committee or CFDA for the purpose of obtaining appropriate approvals for such changed protocol shall be subject to the prior written approval by GSK

2 6 Upon successful completion of Phase III Clinical Trial, GSK is entitled to apply or designate a third party at its sole discretion ("**GSK Designated Party**") to apply for the New Drug Certificate and/or Marketing Authorization of the Product GSK or GSK Designated Party shall be the sole holder of the New Drug Certificate and Marketing Authorization of the Product in China

2 7 For the purpose of Section 2 6, Institution shall provide necessary assistance and execute such document as reasonably required by GSK Institution covenants that it shall not and will never apply by itself or through a third party, or cause a third party to apply for the New Drug Certificate and/or Marketing Authorization of the Product in China

3 LICENSE GRANT AND OWNERSHIP OF INTELLECTUAL PROPERTY

3 1 Subject to the terms and conditions of this Agreement and in furtherance of the SHDC Program Transfer, Institution will grant GSK and its Affiliates on the Effective Date a worldwide, royalty-free, exclusive license (even as to Institution), with rights to sublicense, to all of Institution's right, title, and interest (including worldwide rights and in all therapeutic areas and indications whether known or are subsequently discovered) in any and all SHDC Program, SHDC, Pulian Ointment, and their related Background IP, including but not limited to Previous CTA Materials, IP, Know-how, data, clinical trial materials, manufacturing technologies and protocols (but excluding the manufacturing technologies and protocols for Pulian Ointment), supply information, regulatory dossier and packages for the Development, registration, manufacture and Commercialization of the Product, to enable GSK to Develop, manufacture, and Commercialize such Product

3 2 All Arising IP shall be owned solely by GSK and its nominees

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3 3 Institution shall provide necessary assistance as reasonably required by GSK to complete the registration of any license during the Term with relevant authorities

3 4 GSK acknowledges that, as of the Effective Date, Institution is in the process of application for the approval to produce SHDC as a hospital-produced medicinal product Notwithstanding Section 3 1, GSK agrees that Institution may, upon its receipt of the approval, produce SHDC solely for the purpose of prescribing SHDC by healthcare professionals employed by Institution, provided that, after the SHDC Product of GSK is launched in China and within five (5) Business Day upon the date when the SHDC Product is filed with Institution for the hospital formulary listing, Institution shall cease producing or prescribing its SHDC as a hospital-produced medicinal product In addition, upon expiry of the approval to produce SHDC as a hospital-produced medicinal product then in effect, Institution shall not apply with local counterparts of CFDA for renewal of the approval or for issuance of a new approval

3 5 GSK acknowledges that, as of the Effective Date, Institution holds an approval to produce Pulian Ointment as a hospital-produced medicinal product Notwithstanding Section 3 1, GSK agrees that Institution may continue to produce Pulian Ointment solely for the purpose of prescribing Pulian Ointment by healthcare professionals employed by Institution, provided that, after the SHDC Product of GSK is launched in China and upon the date when the SHDC Product is filed with Institution for the hospital formulary listing, Institution may, during the remaining term of the approval then in effect, continue to produce Pulian Ointment solely for the purpose of prescribing Pulian Ointment by healthcare professionals employed by Institution, and upon expiry of such approval Institution shall immediately cease producing or prescribing Pulian Ointment, and shall not apply with local counterparts of CFDA for renewal of the approval or for issuance of a new approval

3 6 Institution warrants that, after the SHDC Product of GSK is launched in China, Institution shall complete the procedure for filing the SHDC Product with Institution for hospital formulatry listing as soon as possible In case that Institution has not completed such procedure after the SHDC Product is filed with any other medical institution in Xinjiang Autonomous Region for the hospital formulary listing, Institution shall provide GSK with a reason for failure to complete the procedure If Institution cannot provide a reason to the satisfactory to GSK, GSK is entitled to require Institution cease producing or prescribing SHDC and/or Pulian Ointment immediately Institution further agrees that GSK is entitled to, upon a prior written notice, conduct inspection against Institution to ensure its compliance with Section 3 4, Section 3 5 or Section 3 6, and may request Institution to remedy any breach of Section 3 4, Section 3 5 or Section 3 6 immediately

4 MANUFACTURING & COMMERCIALIZATION

4 1 GSK shall be solely responsible for, take all decisions in respect of and pay all costs of the manufacturing and Commercialization of the Products Institution acknowledges that all decisions relating to the foregoing activities shall be taken by GSK in its sole discretion and that GSK shall be entitled to have GSK Designated Party participate in the manufacture and Commercialization of Products as GSK may consider appropriate

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5 PAYMENT

5 1 In consideration of Institution's obligations under this Agreement, GSK agrees to make certain payments to Institution as set out in Sections 5 2 and 5 3

5 2 GSK will make an upfront cash payment in a total amount of [*] (the "**Upfront Payment**") to Institution within sixty (60) days upon signing of this Agreement

5 3 GSK shall make milestone payments to Institution up to a maximum total amount of [*] ([*] "**Milestone Payments**") Each Milestone Payment to Institution will be paid within [*] upon achievement of each of the corresponding milestone events as follows

Milestone Events	Amount (CNY)
[*]	[*]

For the avoidance of doubt, each of the above Milestone Payments shall be one-off payment payable by GSK with respect to the corresponding milestone event as set out above, regardless of whether such event would happen again for any other Product either in China or elsewhere in the world

5 4 Institution agrees that GSK or its Affiliates may make public the Payment provided by GSK in this Agreement and may identify the Institution and principal investigators as part of this disclosure Further, the Institution represents that it has obtained the principal investigators' consent to this disclosure

5 5 The Upfront Payment and the Milestone Payments will be paid by wire transfer to Institution's account provided herein and Institution will provide GSK a complete, accurate and audit-worthy invoice within [*] upon receipt of the Payment

Institution's bank information: [*]

Bank name: [*]

Account name: [*]

Account number: [*]

5 6 All amounts payable to Institution (including the Upfront Payment and Milestone Payments) are inclusive of any applicable tax (including any withhold tax) to which payments made by GSK are subject to, at the rate from time to time prescribed by

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applicable law Institution alone shall be responsible for paying any and all taxes levied on account of, or measured in whole or in part by reference to, any payment received by Institution

6 EXCLUSIVITY

6 1 During the Term, except for performance of its obligations hereunder, Institution shall not, by itself or through any Affiliate or third party, engage in any research and development activities directed towards the discovery, Development, manufacture, or Commercialization of any Product or any medicinal product incorporating SHDC

7 MANAGEMENT OF IP AND KNOW HOW

7 1 GSK shall have the exclusive right to prepare, file, prosecute and/or maintain any protection for Arising IP at its own cost and expense To the extent necessary, Institution agrees to and hereby does assign to GSK its right to file for patents for Arising IP in any country or region, including in the PRC Institution will cooperate in the filing and prosecution of patent applications for Arising IP At GSK's request, Institution will execute all necessary documents to effectuate the filing of patent applications related to Arising IP At GSK's request and expense, Institution will assist GSK in its efforts to establish, perfect, and defend all IP rights relating to Arising IP, and execute any documents necessary to do the same (including assignments of rights, transfers, releases, affidavits, and declarations) Institution hereby designates GSK as its agent for, and grants to GSK a power of attorney with full power of substitution, which power of attorney will be deemed coupled with an interest, for the purpose of effecting the foregoing provisions

7 2 Throughout the Term of this Agreement, Institution shall be responsible for and shall undertake, and shall bear all costs and expenses in connection with, the filing, prosecution, maintenance and defense of the Background IP, including but not limited to timely payment of the annual renewal fees for any patent under the Background IP Upon request of GSK, Institution shall provide GSK with supporting documents related to maintenance of the Background IP, e g , photocopy of the receipt of patent annual renewal fees issued by the competent government authority Notwithstanding the foregoing, upon transfer of any patent for SHDC from Institution to GSK, GSK may, at its sole discretion, undertake the filing, prosecution, maintenance and defense of the patent for SHDC at its own costs and expenses In case GSK decides not to continue the maintenance of any patent for SHDC, GSK shall notify Institution, and Institution is entitled to undertake filing, prosecution, maintenance and defense of such patent at its own costs and expenses

7 3 Each Party shall give the other Party immediate notice of any infringement of any Background IP by a third party which, subject to any obligation of confidentiality owed to a third party, comes to that Party's attention during the Term of this Agreement

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7 4 If during the Term of this Agreement, any Party receives any notice, claim or proceedings from any third party alleging infringement of that third party's intellectual property by reason of any Party's activities in relation to this Agreement or the use and exploitation of any Background IP, then the Party receiving that notice shall forthwith notify the other Party of the notice, claim or proceeding and shall be entitled to defend and settle such claim or proceeding to the extent affecting the receiving Party, but shall not make any admission of liability on behalf of the other Party without that Party's consent

7 5 GSK shall have the first right, but not the obligation, at its own cost to commence proceedings for infringement or misappropriation of any of the Background IP by a third party

8 CONFIDENTIALITY

8 1 Subject to the terms of this Section 8, neither Party shall, during the Term and for a period of [*] years thereafter, disclose the other Party's Confidential Information to any third party, nor use the other Party's Confidential Information for any purpose other than for the purpose of performance of this Agreement

8 2 No Party will be in breach of any obligation under Section 8 1 in disclosing the Confidential Information to the extent that the Confidential Information

(i) is known to the Party making the disclosure before its receipt from the other Party, and not already subject to any obligation of confidentiality to the other Party,

(ii) is or becomes publicly known without any breach of this Agreement or any other undertaking to keep it confidential,

(iii) has been obtained by the Party making the disclosure from a third party in circumstances where the Party making the disclosure has no reason to believe that there has been a breach of an obligation of confidentiality owed to the other Party,

(iv) has been independently developed by the Party making the disclosure,

(v) is disclosed pursuant to, and solely to the extent required to be disclosed to comply with, the requirement of any law or regulation or applicable listing rules or the order of any court of competent jurisdiction or any relevant governmental or stock exchange authority, provided the Party required to make the disclosure provides the other Party with prior written notice of such requirement and the information required to be disclosed, takes reasonable actions to avoid or minimize the extent of such disclosure, and, to the extent reasonably practicable, seeks protective and confidential treatment of the information to be disclosed,

(vi) is disclosed on a confidential and need-to-know basis (on terms at least as protective as those set forth herein) to the investigators, directors, officers, employees, Affiliates, permitted subcontractors, financial advisors, and attorneys of a Party, or

(vii) is approved for release in writing by an authorized representative of the other Party

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8 3 The Parties understand and acknowledge that Institution may possess certain information that are classified as state secrets of the PRC Institution hereby covenants that it may not and shall not disclose to GSK any Confidential Information in violation of the PRC laws and rules on the protection of state secrets Institution shall indemnify GSK for any losses or penalties suffered due to Institution's breach of the foregoing sentence

8 4 Neither Institution nor GSK will use the name, trade-name, or logo of the other Party or its Affiliates in any press release, publication, or product advertising, or for any other promotional purpose, nor disclose the existence or terms of this Agreement without first obtaining the written consent of that Party

9 LIMITATION OF LIABILITY

9 1 Institution warrants that, to the best of its knowledge and belief (having made reasonable inquiries with its employees involved in the SHDC Program or likely to have relevant knowledge, but not having made any search of any public register), any advice or information given by it or any of its employees or any other persons engaged by Institution who work on the SHDC Program, or the content or use of any Background IP, Arising IP, or materials, works or information provided in connection with the SHDC Program, will not constitute or result in any infringement of any third party rights

9 2 Except under the limited warranty in Section 9 1 and subject to Section 9 4, no Party accepts any responsibility for any use which may be made by the other Party of any Background IP or Arising IP, nor for any reliance which may be placed by the other Party on any Background IP or Arising IP, nor for advice or information given in connection with any Background IP or Arising IP

9 3 Subject to Section 9 4, the liability of one Party to the other Party for any breach of this Agreement, any negligence of the other Party, or arising in any other way out of the subject matter of this Agreement, the Background IP, the Arising IP will not extend to any indirect or consequential damages or losses, or any loss of profits, loss of revenue, loss of data, loss of contracts or opportunity, whether direct or indirect, even if the Party bringing the claim has advised the other Party of the possibility of those losses, or if they were within the other Party's contemplation

9 4 Nothing in this Agreement limits or excludes either Party's liability for

(i) death or personal injury,

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(ii) any fraud, corruption or for any sort of liability that, by law, cannot be limited or excluded, or

(iii) any loss or damage caused by a deliberate breach of this Agreement or a breach of Sections 2 7, 3, 7 and 13

9 5 The only undertakings and warranties given by the Parties in this Agreement are those expressly contained in this Agreement All other warranties, conditions, terms, undertakings and obligations, whether implied by statute, principle of civil law, custom, trade usage, course of dealing or in any other way are hereby disclaimed by the Parties to the fullest extent permitted by law

10 FORCE MAJEURE

10 1 If the performance by one Party of any of its obligations under this Agreement is delayed or prevented by circumstances that are reasonably unforeseeable and are beyond its reasonable control ("**Force Majeure**"), that Party will not be in breach of this Agreement because of that delay in performance, provided that the Party affected by the Force Majeure shall, within ten (10) days after its occurrence, give notice to the other Party stating the nature of the circumstances, its anticipated duration and any action being taken to avoid or minimize its effect The suspension of performance shall be of no greater scope and no longer duration than is reasonably required and the Party affected by the Force Majeure shall use its reasonable efforts to remedy its inability to perform

11 TERM AND TERMINATION

11 1 This Agreement begins on the Effective Date Unless early terminated in accordance with Sections 11 or 13, this Agreement shall continue in effect till each Party fulfils its rights and obligations hereunder

11 2 GSK can terminate this Agreement at any time by [*] prior written notice to Institution

11 3 The Parties acknowledge and agree that Institution's obtaining of the TCM Approvals is of vital importance to GSK in entering into this Agreement In the event that such TCM Approvals are not procured or become invalid, Institution shall promptly notify GSK in writing and GSK may terminate this Agreement immediately by written notice to Institution within [*] after receiving the notice by Institution

11 4 Either Party may terminate this Agreement with immediate effect by written notice to the other Party if

(i) the other Party is in breach of any provision of this Agreement and (if it is capable of remedy) the breach has not been remedied within [*] after receipt of written notice specifying the breach and requiring its remedy, or

(ii) the other Party becomes insolvent, or if an order is made or a resolution is passed for its winding up (except mergers or reorganizations as part of a voluntary dissolution), or if an administrator, administrative receiver or receiver is appointed over the whole or any part of that Party's assets, or if that Party makes any arrangement with its creditors, or anything happens which is analogous to any of these matters

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

11 5 GSK may terminate this Agreement with immediate effect by written notice to Institution if there is a change in the legal or beneficial ownership of Institution or of its majority shareholders from the state existing at the Effective Date which GSK considers in its sole discretion to be significant, then GSK may terminate this Agreement immediately by written notice Institution agrees to give GSK notice in writing of any such change within [*] of it becoming effective

11 6 Sections 1, 2 7, 3, 6, 7, 8, 9, 11, 12, 13, 14 and 15, and other Sections required by their nature or terms to survive, will survive the expiration of the Term or the termination of this Agreement for any reason and will continue indefinitely (unless the terms thereof expressly provide for a shorter survival period)

11 7 Termination of this Agreement for whatever reason shall not affect the accrued rights of the Parties arising in any way out of this Agreement as at the date of termination or expiry and in particular but without limitation the right to recover damages and interest

12 WARRANTIES

12 1 Institution warrants to GSK that

(i) its Background IP is free from all charges and encumbrances (including without limitation rights of any third party),

(ii) it has conducted non-clinical studies and certain clinical researches in accordance with the applicable laws and regulations,

(iii) it had previously obtained the CTA for Phase II and Phase III Clinical Trial of the Product in accordance with applicable laws and regulations, no misrepresentation or untrue, inaccurate or misleading statement or information was made or provided in such application,

(iv) all data, documents, materials and dossier provided by Institution hereunder, including but not limited to the data of laboratory study of the Product and Previous CTA Materials, are true, accurate, complete and legally obtained,

(v) it will act with all due care and skill in implementing this Agreement, and that the Institution personnel involved in the SHDC Program have the requisite skills and experience to undertake the SHDC Program, and

(vi) it has complied and will comply with all applicable PRC laws and regulations in entering into and performing this Agreement (including without limitation the PRC Regulations on Traditional Chinese Medicine and the Provisional Measures regarding Foreign-related Administration of Traditional Chinese Medicine, and the execution, delivery and performance of this Agreement does not violate any applicable laws, regulations or orders of the Institution's regulatory authority, or violate or contravene any agreements or documents binding upon it

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

12 2 Institution warrants to GSK that Institution is a medical institution of legal person status duly organized and existing under PRC law, and has full power and authority under relevant laws and its constitutional documents, and has taken all necessary actions and obtained all authorizations, licenses, consents and approvals on or prior to the Effective Date, to allow it to enter into this Agreement and to perform its obligations under this Agreement, and will maintain the validity of all such authorizations, licenses, consents and approvals during the Term of this Agreement

12 3 Unless otherwise required or prohibited by law, the Parties warrant to each other, to the best of their knowledge, that in relation to the performance of this Agreement, they

(i) do not employ, engage or otherwise use any child labor in circumstances such that the tasks performed by any such child labor could reasonably be foreseen to cause either physical or emotional impairment to the development of such child,

(ii) do not use forced labor in any form (prison, indentured, bonded or otherwise) and its employees are not required to deposit papers or cash deposits before starting work,

(iii) provide their employees a safe and healthy workplace, presenting no immediate hazards, housing that is safe for habitation, and access to clean water, food, and emergency healthcare in the event of accidents or incidents in the workplace,

(iv) do not discriminate against any employees on any ground (including race, religion, disability or gender)

(v) do not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and do not use cruel or abusive disciplinary practices in the workplace,

(vi) pay each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is higher) and provide each employee with all legally mandated benefits,

(vii) comply with the laws on working hours and employment rights in the countries in which they operate, and

(viii) are respectful of their employees' right to join and form independent trade unions and freedom of association

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12 4 The Parties agree that they are responsible for controlling their own supply chain and that they shall encourage compliance with ethical standards and human rights by any subsequent supply of goods and services that are used by the Parties when performing their obligations under this Agreement

12 5 The Parties will ensure that they have ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies

13 ANTI-CORRUPTION

13 1 Institution acknowledges receipt of the "Prevention of Corruption - Third Party Guidelines" (set out in Schedule 2, the "**Guidelines**") and agrees to perform its obligations under this Agreement, and to cause the Institution personnel to perform this Agreement, all in accordance with the Guidelines (as amended from time to time and provided to Institution by GSK)

13 2 Institution shall comply and shall cause the Institution personnel involved in performance of this Agreement to comply fully at all time with all applicable laws and regulations, including but not limited to applicable anti-corruption laws, of the territory in which Institution conducts business with GSK

13 3 Institution agrees that it has not, and covenants that it will not, in connection with the performance of this Agreement, promise, authorise, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value, directly or indirectly (i) to any individual including Government Officials (as defined below), or (ii) to an intermediary for payment to any individual including Government Officials, or (in) to any political party It is the intent of Parties that no payments or transfers of value will be made, promised, authorised, ratified or offered with the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of securing an improper advantage or obtaining or retaining business

For the purpose of this section "Government Official" means (a) any officer or employee of a government or any department, agency or instrument of a government, (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government, (c) any officer or employee of a company or business owned in whole or part by a government, (d) any officer or employee of a public international organization such as the World Bank or United Nations, (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party, and/or (f) any candidate for political office

13 4 Institution will not contact, or otherwise meet with any Government Official with respect to any transactions required under this Agreement, without the prior written approval of GSK and, when requested by GSK, only in the presence of a GSK designated representative

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13 5 Institution represents that it has not been convicted of or pleaded guilty to a criminal offence, including one involving fraud, corruption, or moral turpitude, that it is not now, to the best of their knowledge, the subject of any government investigation for such offenses, and that it is not now listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government programs

13 6 Institution represents and warrants that except as disclosed in writing (1) it does not have any interest which directly or indirectly conflicts with their proper and ethical performance of this Agreement, and (2) it will maintain arms length relations with all third parties (including government officials) with which they deal for or on behalf of GSK or in performance of this Agreement

13 7 GSK will have the right during the term of this Agreement to conduct an investigation and audit of Institution to monitor compliance with the terms of this Section 13 Institution will cooperate fully with such investigation or audit, the scope, method, nature and duration of which will be at the sole reasonable discretion of GSK

13 8 Institution will ensure that all transactions under this Agreement are properly and accurately recorded in all material respects on its books and records and each document upon which entries such books and records are based is complete and accurate in all material respects Institution must maintain a system of internal accounting controls reasonably designed to ensure that it maintains no off-the-books accounts

13 9 Institution agrees that GSK may make full disclosure of information relating to a possible violation of the terms of this Agreement at any time and for any reason to any competent government bodies and its agencies, and to whomsoever GSK determines in good faith has a legitimate need to know

13 10 GSK shall be entitled to terminate this Agreement immediately on written notice to Institution if Institution fails to perform its obligations in accordance with this Section 13 Institution shall have no claim against GSK for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with this Section 13 To the extent (and only to the extent) that the laws of the PRC provide for any such compensation to be paid to Institution upon the termination of this Agreement, Institution hereby expressly agrees to waive (to the extent possible under laws of the PRC) or to repay to GSK any such compensation or indemnity

14 INDEMNIFICATION

14 1 Institution shall indemnify, defend and hold harmless GSK, its Affiliates, and its and their respective directors, officers, employees and agents (collectively the "**GSK Indemnified Party**") against any and all claims, liabilities, losses, damages, costs or expenses, including reasonable attorneys' fees, (collectively, "**Losses**") incurred or suffered by the GSK Indemnified Party by reason of a claim brought by a third party to the extent arising out of or caused by

(i) any warranty provided by Institution herein is or becomes untrue or inaccurate,

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(ii) the negligence, recklessness or misconduct of Institution or its Affiliates or any employees, officers, consultants or agents of either of the foregoing in connection with the Development of any Product and/or the Background IP, or

(iii) the Development, distribution, marketing, promotion or sale of Products or the use of the Background IP by GSK Indemnified Party

14 2 In the event that any GSK Indemnified Party intends to seek indemnification for any claim under Section 14 1, it shall inform Institution of the claim promptly after receiving notice of the claim and shall permit Institution to direct and control the defense of the claim and shall provide such reasonable assistance as is reasonably requested by Institution (at Institution's cost) in the defense of the claim provided that nothing in this Section 14 2 shall permit Institution to make any admission on behalf of any GSK Indemnified Party, or to settle any claim or litigation which would impose any financial obligations on GSK or an GSK Indemnified Party without the prior written consent of GSK, such consent not to be unreasonably withheld or delayed

14 3 GSK shall indemnify, defend and hold harmless Institution, its Affiliates, and its and their respective directors, officers, employees and agents (collectively the "**Institution Indemnified Party**") against any and all Losses incurred or suffered by the Institution Indemnified Party by reason of a claim brought by a third party to the extent arising out of or caused by

(i) any warranty provided by GSK herein is or becomes untrue or inaccurate, or

(ii) the willful misconduct of GSK or its Affiliates or any employees, officers, consultants or agents of either of the foregoing in connection with undertaking Phase II or Phase III Clinical Trial

15 GENERAL

15 1 **Notices:** Any notice to be given under this Agreement must be in writing, may be delivered by one Party to the other Party by any of the methods set out in the left hand column below, and will be deemed to be received on the corresponding day set out in the right hand column

Method of service	**Deemed day of receipt**
By hand	the day of delivery

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By courier	the second Business Day after posting
By recorded delivery post	the third Business Day after posting
By fax (provided the sender's fax machine confirms complete and error-free transmission of that notice to sent the correct fax number)	The next Business Day after sending or, if sent before 16 00 (sender's local time), on the day it was sent

The Parties' respective representatives for the receipt of notices are, until changed by written notice given in accordance with this Section, as follows

For Institution:	**For GSK:** **GSK:**
Name: Jihong Nie Address: No 116, Huanghe Road, Urumqi, Xinjiang, China	Name: [*] Address: Building 2, 917 Halei Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai 201203, China
Email: [*]	**Email:** [*]

15 2 **Headings:** The headings in this Agreement are for ease of reference only, they do not affect the construction or interpretation of this Agreement

15 3 **Subcontracting:** It is recognized that each Party may engage or use any third party subcontractors (including contract research organizations) to perform any of its obligations under this Agreement Any third party subcontractor engaged to perform obligations of a Party (the "**Subcontracting Party**") in this Agreement shall have sufficient expertise to meet the qualifications typically required by such Subcontracting Party for the performance of work similar in scope and complexity to the subcontracted activity The Subcontracting Party shall remain liable for, and obligated to, perform all of its obligations under this Agreement and shall be liable for the performance of, and any acts, omissions or breaches by, each of its subcontractors A Subcontracting Party shall be responsible for ensuring compliance by its third party subcontractors, if any, with all the terms of this Agreement, including without limitation obligations of confidentiality Further, the Subcontracting Party shall ensure in any subcontracting arrangement that GSK obtains sole ownership of all inventions, data and related Intellectual Property rights made or developed by such third party subcontractor relating to the Products

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15 4 Assignment:

(i) Institution agrees that it will not assign the whole or any part of this Agreement without GSK's prior consent in writing

(ii) GSK shall subject to its issuing a written notice to the Institution to assign its rights and obligations hereunder to any Affiliate of it or to any successor in title to the whole or any part of its business

15 5 Illegal/unenforceable Sections: If the whole or any part of any Section of this Agreement is void or unenforceable in any jurisdiction, the other Sections of this Agreement, and the rest of the void or unenforceable Section, will continue in force in that jurisdiction, and the validity and enforceability of that Section in any other jurisdiction will not be affected

15 6 Waiver of rights: If one Party fails to enforce, or delays in enforcing, an obligation of the other Party, or fails to exercise, or delays in exercising, a right under this Agreement, that failure or delay will not affect its right to enforce that obligation or constitute a waiver of that right Any waiver of any Section of this Agreement will not, unless expressly stated to the contrary, constitute a waiver of that Section on a future occasion

15 7 No agency: Nothing in this Agreement creates, implies or evidences any partnership or joint venture between the Parties, or the relationship between them of principal and agent Neither Party has any authority to make any representation or commitment, or to incur any liability, on behalf of the other Party

15 8 Entire agreement: This Agreement constitutes the entire agreement between the Parties relating to its subject matter Each Party acknowledges that it has not entered into this Agreement on the basis of any warranty, representation, statement, agreement or undertaking except those expressly set out in this Agreement Each Party waives any claim for breach of this Agreement, or any right to rescind this Agreement in respect of, any representation which is not an express Section of this Agreement However, this Section does not exclude any liability which either Party may have to the other Party (or any right which any Party may have to rescind this Agreement) in respect of any fraudulent misrepresentation or fraudulent concealment before signing this Agreement

15 9 Formalities: Each Party will take any action and execute any document reasonably required by the other Party to give effect to any of its rights under this Agreement, or to enable their registration in any relevant territory provided the requesting Party pays the other Party's reasonable expenses

15 10 Amendments: No variation or amendment of this Agreement will be effective unless it is made in writing and signed by each Party's representative

15 11 Language: This Agreement shall be written in both English and Chinese Both language versions shall have equal validity and effect In the event of any discrepancy between the two language versions, the Chinese version shall prevail

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15 12 **Governing law:** This Agreement is governed by, and is to be interpreted in accordance with the laws of the PRC without regard to its principles of conflicts of law

15 13 **Dispute resolution:**

(i) Any dispute, controversy or claim arising from or in connection with this Agreement, including any question regarding its existence, validity or termination ("**Dispute**"), must be resolved in the first instance through consultation between senior officers of Institution and GSK (or their respective nominees) If, within thirty (30) days following the date of the first written notification of the existence of a Dispute by one Party to the other Party, the Dispute cannot be resolved, the Dispute must be submitted to arbitration in accordance with the remaining Sections of this Section 15 13

(ii) Any Dispute not resolved must be submitted to Shanghai International Arbitration Center ("**SHIAC**") for arbitration which must be conducted in accordance with SHIAC's arbitration rules in force as at the date of applying for arbitration The seat of the arbitration will be Shanghai

(iii) There will be three arbitrators Each of GSK and Institution must appoint one arbitrator The third arbitrator must be appointed by the other two appointed arbitrators If a Party does not appoint an arbitrator who has consented to act within thirty (30) days after the notice of arbitration or if a third arbitrator has not been appointed who has consented to act within forty five (45) days after the notice of arbitration, then the relevant appointment must be made by the Secretary General of SHIAC

(iv) The arbitration proceedings will be conducted in Chinese

(v) The award of the arbitration tribunal will be final and binding upon the Parties By agreeing to arbitration under this Section 15 13, the Parties irrevocably waive their right to any form of appeal, review or recourse to any state or court or other judicial authority, insofar as this waiver can be validly given Any award may be enforced by any court of competent jurisdiction Each Party expressly waives all rights to object to any proceedings related to arbitration, the enforcement of arbitration or any other arbitral or judicial proceedings including any defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state or any department thereof or an entity affiliated to a sovereign state or any department thereof

(vi) Without prejudice to the Parties' agreement to arbitrate as set forth in this Section 15 13, any Party has the right to seek preservation of property, preservation of evidence, interim injunctive relief, provisional rulings or other interim relief or procedural assistance from a court of competent jurisdiction, both before and after the arbitral tribunal has been appointed, at any time up until the arbitral tribunal has made its final award

(vii) The costs of arbitration must be borne by the losing Party, unless otherwise decided by the arbitration award

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15 14 Execution: This Agreement is made in four (4) copies Institution shall keep three (3) copy and GSK shall keep one (1) copy

[The remainder of this page intentionally left blank, the signature page follows]

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SIGNED for and on behalf of Institution		**SIGNED** for and on behalf of GSK	
Signature	/s/ [ILLEGIBLE]	Signature:	/s/ Min Li
Name	[ILLEGIBLE]	Name:	Min Li
Position	[ILLEGIBLE]	Position:	SVP, Neuroscience
Seal		Seal	

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Schedule 1

SHDC Program Transfer

I Institution shall deliver SHDC Program Transfer within [*] upon receipt of the Upfront Payment as set forth in Section 5 2

II Institution shall deliver any information relating to SHDC Program to GSK during the Term within [*] upon GSK's request Such information may include but not limited to the followings

1 Provide prototype samples of Pulian Ointment

2 Compile human use history/records/evidence for Pulian Ointment for both [*]

3 Assist GSK to manufacture Pulian Ointment in the hospital setting, for the avoidance of doubt, Institution shall provide materials, documents and information relevant to Pulian Ointment, but excluding the manufacturing technologies and protocols for Pulian Ointment

4 Assist GSK to manufacture SHDC at its original manufacture site

5 Assist GSK to conduct preclinical pharmacological testing in in vitro models used for the previous CTA application

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Schedule 2

PREVENTION OF CORRUPTION - THIRD PARTY GUIDELINES

- The GSK Corporate Policy 007 on Preventing Corrupt Practice and Maintaining Standards of Documentation ("**GSK Policy 007**") requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business GSK Policy 007 requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of the GSK
- **Corrupt Payments** - GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorize, ratify or offer to make or make any "payments" of "anything of value" (as defined in the glossary section) to any individual (or at the request of any individual) including a "government official" (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business
- **Government Officials** - Although GSK's policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a "quid pro quo" for business, due to the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to "payments" of "anything of value" (as defined in the glossary section), or at the request of, "government officials" (as defined in the glossary section)
- **Facilitating Payments** - For the avoidance of doubt, facilitating payments (otherwise known as "greasing payments" and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited

GLOSSARY

The terms defined herein should be construed broadly to give effect to the letter and spirit of the GSK Policy 007 GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorizing payments prohibited by this policy will not be tolerated

Anything of Value: this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or Section of any other asset, even if nominal in value

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Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of anything of value

Government Official shall mean

- Any officer or employee of a government or any department, agency or instrument of a government,
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government,
- Any officer or employee of a company or business owned in whole or part by a government,
- Any officer or employee of a public international organization such as the World Bank or United Nations,
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party,
- Any candidate for political office, and/or
- In many countries in which GSK conducts business, doctors and other healthcare providers may qualify as government officials because it is either (i) employed by a government-owned or funded hospital, clinic, university or other entity and/or (ii) receive funding, professional service fees or other remuneration from a government-owned or funded hospital, clinic, university or other entity

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Exhibit 10.8

LICENSE AGREEMENT

between

SANOFI

and

ZAI LAB (HONG KONG) LIMITED

Dated as of July 22, 2015

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LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into effective as of **July 22, 2015** (the "**Effective Date**") by and between Sanofi, a French corporation with a business principle address of 54 rue La Boétie, 75008 Paris, France ("**Sanofi**") and **Zai Lab (Hong Kong) Limited,** a company duly incorporated under the laws of Hong Kong with a business principle address of Unit 1202, 12/F Ruttonjee HSE, 11 Duddell St Central, HK Hong Kong, China ("**Licensee**"). Sanofi and Licensee are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, Sanofi controls certain intellectual property rights with respect to the Licensed Compound (as defined herein) and Licensed Product (as defined herein) in the Territory (as defined herein); and

WHEREAS, Sanofi wishes to grant to Licensee, and Licensee wishes to take, a license under such intellectual property rights to Develop (as defined herein) and Commercialize (as defined herein) Licensed Product in the Territory, in each case in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means (a) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise, or (b) the ownership, directly or indirectly, of 50% or more of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its controlling entity).

1.2 "**Agreement**" has the meaning set forth in the preamble hereto.

1.3 "**Anti-Corruption Laws**" shall mean the U.S. Foreign Corrupt Practices Act, as amended, the UK Bribery Act 2010, as amended, and any other applicable anti-corruption laws and laws for the prevention of fraud, racketeering, money laundering or terrorism.

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1.4 "**Applicable Law**" means applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of the Regulatory Authorities that may be in effect from time to time, including Anti-Corruption Laws.

1.5 "**Accountant**" has the meaning set forth in Section 6.10.

1.6 "**Breaching Party**" has the meaning set forth in Section 12.2.

1.7 "**Business Day**" means a day other than a Saturday or Sunday on which banking institutions in Shanghai, China or Paris, France are not closed.

1.8 "**Calendar Quarter**" means each successive period of three calendar months commencing on January 1, April 1, July 1 and October 1.

1.9 "**Calendar Year**" means each successive period of 12 calendar months commencing on January 1 and ending on December 31.

1.10 "**Clinical Data**" means all data, reports and results with respect to the Licensed Compound and Licensed Product made, collected or otherwise generated under or in connection with the Clinical Studies.

1.11 "**Clinical Studies**" means human clinical trials for a Licensed Product and any other tests and studies for a Licensed Product in human subjects.

1.12 "**Combination Product**" means a Licensed Product that consists of or contains a Licensed Compound as an active ingredient together with (a) one or more other active ingredients and is sold either as a fixed dose or as separate doses in a single package; or (b) a delivery device where such delivery device is sold with Licensed Product as a single package (such other active ingredient(s) and/or delivery device, an "**Other Component**").

1.13 "**Commercialization**" means, with respect to a Licensed Product, any and all activities (whether before or after Regulatory Approval) directed to the marketing, promotion and sale of such Licensed Product in the Field in the Territory after Regulatory Approval for commercial sale has been obtained, including pre-launch and post-launch marketing, promoting, marketing research, distributing, offering to commercially sell and commercially selling such Licensed Product, importing, exporting or transporting such Licensed Product for commercial sale, medical education activities with respect to such Licensed Product, conducting Clinical Studies that are not required to obtain or maintain Regulatory Approval for such Licensed Product for an indication, which may include epidemiological studies, modeling and pharmacoeconomic studies, post-marketing surveillance studies, investigator sponsored studies and health economics studies and regulatory affairs (including interacting with Regulatory Authorities) with respect to the foregoing. When used as a verb, "**Commercializing**" means to engage in Commercialization and "**Commercialize**" and "**Commercialized**" shall have corresponding meanings.

1.14 "**Commercialization License**" means the license, transfer or assignment (other than a change of control transaction as described in Section 13.3) by Licensee, including by option, to any Third Party of any rights to Commercialize (and whether or not including the right to Develop) Licensed Product in the Field in all or part of the Territory, excluding the engagement of any subcontractors such as research collaborators, contract research organizations, contract manufacturers, vendors, service providers, distributors, contract sales force and the like.

1.15 "**Commercially Reasonable Efforts**" means the level of efforts and resources comparable to the efforts and resources commonly used in the research-based biopharmaceutical industry by companies with resources and expertise similar to those of Licensee for compounds or products of similar market potential at a similar stage in development or product life, taking into consideration market exclusivity, profitability, market potential, potential competitions and other relevant factors. "Commercially Reasonable Efforts" shall be determined on a country-by-country (or region-by-region, where applicable) and indication-by-indication basis.

1.16 "**Complaining Party**" has the meaning set forth in Section 12.2.

1.17 "**Confidential Information**" has the meaning set forth in Section 9.1.

1.18 "**Controlled**" means, with respect to any Information, Invention, Regulatory Documentation, Patent or other intellectual property right, that the Party owns or has a license to such Information, Invention, Regulatory Documentation, Patent or intellectual property right and has the ability to grant to the other Party access, a license or a sublicense (as applicable) thereto as provided for herein without violating the terms of any agreement or other arrangements with any Third Party existing at the time such Party would be first required hereunder to grant the other Party such access, license or sublicense.

1.19 "**Development**" means, with respect to a Licensed Product, all activities related to research, preclinical and other non-clinical testing, test method development and stability testing, toxicology, formulation, Manufacture Process Development, Clinical Studies, including Manufacturing in support thereof (but excluding any commercial Manufacturing), statistical analysis and report writing, the preparation and submission of Drug Approval Applications, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval for such Licensed Product. When used as a verb, "**Develop**" means to engage in Development.

1.20 "**Development Plan**" means the plan for the Development of Licensed Product as described in Section 3.1.3, as updated from time to time pursuant to Section 3.1.3.

1.21 "**Disclosing Party**" has the meaning set forth in Section 9.1.

1.22 "**Dispute**" has the meaning set forth in Section 13.5.

1.23 "**Dollars**" or "**$**" means United States Dollars.

1.24 "**Drug Approval Application**" means a New Drug Application (an "**NDA**") as defined in the FFDCA and the regulations promulgated thereunder (including all additions, supplements, extensions and modifications thereto), or any corresponding foreign application in the Territory, including, with respect to the European Union, a Marketing Authorization Application (an "**MAA**") filed with the EMA pursuant to the centralized approval procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.

1.25 "**Effective Date**" has the meaning set forth in the preamble hereto.

1.26 "**EMA**" means the European Medicines Agency and any successor agency thereto.

1.27 "**Europe**" means the member countries of the European Union as well as the countries comprising the European Free Trade Area as it may be constituted from time to time, which as of the Effective Date consists of, Iceland, Norway, Liechtenstein and Switzerland.

1.28 "**European Union**" means the economic, scientific and political organization of member states as it may be constituted from time to time, which as of the Effective Date consists of Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland and that certain portion of Cyprus included in such organization.

1.29 "**Exploit**" means, with respect to a Licensed Product, to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), use, have used, export, transport, distribute, promote, market, sell or have sold or otherwise dispose of such Licensed Product.

1.30 "**Exploitation**" means the act of Exploiting a Licensed Product.

1.31 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.32 "**FFDCA**" means the United States Food, Drug, and Cosmetic Act, as amended from time to time.

1.33 "**Field**" means any oncology indication in humans.

1.34 "**First Commercial Sale**" means, with respect to a Licensed Product in a country in the Territory, the first sale to a Third Party for monetary value for use or consumption by the general public of such Licensed Product in such country after the applicable Regulatory Authority has approved the Drug Approval Application for such Licensed Product in such country. Sales prior to the approval of the applicable Drug Approval Application, such as so-called "treatment IND sales", "named patient sales" and "compassionate use sales", shall not constitute a First Commercial Sale.

1.35 "**Force Majeure Event**" has the meaning set forth in Section 13.1.

1.36 "**Generic Product**" means, with respect to a Licensed Product in a particular country, any pharmaceutical product that (a) contains the same active ingredient(s) as such Licensed Product; (b) obtained marketing approval from the applicable Regulatory Authority in such country and on an expedited or abbreviated basis in a manner that relied on or incorporated data for such Licensed Product; and (c) is sold in such country by a Third Party that is not a Sublicensee of Licensee or its Affiliates and did not purchase such product in a chain of distribution that included any of Licensee or its Affiliates or a Sublicensee.

1.37 "**Indemnification Claim Notice**" has the meaning set forth in Section 11.3.

1.38 "**Indemnified Party**" has the meaning set forth in Section 11.3.

1.39 "**Indemnifying Party**" means the Party from whom indemnification is sought pursuant to Section 11.1 or Section 11.2.

1.40 "**Information and Inventions**" means all technical, scientific and other know-how and information, trade secrets, knowledge, technology, means, methods, protocols, assays, structures, sequences, processes, practices, formulas, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, including pre-clinical trial results and Clinical Study results, Manufacturing procedures, test procedures, and purification and isolation techniques, (whether or not confidential, proprietary, patented or patentable) in written, electronic or any other form now known or hereafter developed, and all other discoveries, developments, inventions (whether or not confidential, proprietary, patented or patentable), and tangible embodiments of any of the foregoing.

1.41 "**Infringement**" has the meaning set forth in Section 7.3.1.

1.42 "**Invoiced Sales**" has the meaning set forth in the definition of "Net Sales".

1.43 [*]

1.44 "**Licensed Compound**" means Sanofi's ALK inhibitor [*], having the structure described in **Exhibit E** hereto, or any of its [*].

1.45 "**Licensed Know-How**" means the Information and Inventions contained or disclosed in the documents set forth on **Exhibit A**, but excluding any Information and Inventions to the extent claimed or covered by published Licensed Patents.

1.46 "**Licensed Patents**" means (a) the national, regional and international patents and patent applications, including provisional patent applications set forth on **Exhibit B**, (b) all patent applications filed from any of the foregoing provisional patent applications in clause (a), (c) all patent applications that claim priority to any patent or patent applications in clause (a) or clause (b), including divisionals, continuations, continuations-in-part, provisionals, converted provisionals, and continued prosecution applications, (d) any and all patents that have issued or in the future issue from any of foregoing patent applications in clause (a), clause (b) or

clause (c), including utility models, petty patents and design patents and certificates of invention, and (e) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of any of the foregoing patents or patent applications in clause (a), clause (b), clause (c) or clause (d).

1.47 "**Licensed Product**" means any pharmaceutical product containing the Licensed Compound, alone or in the form of a Combination Product.

1.48 "**Licensee**" has the meaning set forth in the preamble hereto.

1.49 "**Licensee Indemnitees**" has the meaning set forth in Section 11.2.

1.50 "**Licensee Know-How**" means all Information and Inventions Controlled by Licensee, its Sublicensees, or any of its or their respective Affiliates as of the Effective Date or during the Term that is not generally known and is necessary for the Exploitation of a Licensed Product in the Field in the Territory, but excluding any Information and Inventions to the extent covered or claimed by published Licensee Patents.

1.51 "**Licensee Patents**" means all of the Patents Controlled by Licensee, its Sublicensees, or any of its or their respective Affiliates as of the Effective Date or during the Term that are necessary (or, with respect to patent applications, would be necessary if such patent applications were to issue as patents) for the Exploitation of a Licensed Product in the Field in the Territory.

1.52 "**Losses**" has the meaning set forth in Section 11.1.

1.53 "**MAA**" has the meaning set forth in the definition of "Drug Approval Application."

1.54 "**Major Markets**" means each of the [*].

1.55 "**Manufacture**" and "**Manufacturing**" means, with respect to a Licensed Product, all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping, holding, Manufacture Process Development, stability testing, quality assurance or quality control of such Licensed Product or any intermediate thereof.

1.56 "**Manufacture Process Development**" means the process development, process qualification and validation and scale-up of the process to manufacture a Licensed Product and analytic development and product characterization with respect thereto.

1.57 "**Markings**" has the meaning set forth in Section 4.6.

1.58 "**Milestone Event**" means each of the events identified as a milestone event in Section 6.2.1.

1.59 "**Monetization**" means the monetization of all or a portion of Sanofi's rights to receive royalties and other related payments under this Agreement, including by means of a direct sale (through an auction process or otherwise) or a financing (through a borrowing of loans, an offering of securities or otherwise).

1.60 "**NDA**" has the meaning set forth in the definition of "Drug Approval Application."

1.61 "**Negotiation Period**" has the meaning set forth in Section 4.7.2.

1.62 "**Net Sales**" means, for any period, the gross amount invoiced by Licensee, its Sublicensees or any of its or their respective Affiliates for the sale of a Licensed Product (the "**Invoiced Sales**"), less deductions for: (a) normal and customary trade, quantity and cash discounts and sales returns and allowances, including those granted on account of bad debt, price adjustments, billing errors, rejected goods, damaged goods and returns, and chargebacks; (b) freight, postage, shipping and insurance expenses to the extent that such items are included in the gross amount invoiced; (c) sales taxes and other governmental charges (including value added tax, but solely to the extent not otherwise creditable or reimbursed) to the extent billed separately on the invoice and actually paid in connection with the sale but only to the extent actually included in gross sales (but excluding what is commonly known as income taxes and taxes or charges required by U.S. Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program); and (d) rebates and similar payments made with respect to sales paid for by any governmental or regulatory authority such as, by way of illustration and not in limitation of the Parties' rights hereunder, Federal or state Medicaid, Medicare, plans offered under the Affordable Care Act or similar state program or equivalent foreign governmental program, provided however [*]. Any of the deductions listed above that involves a payment by Licensee, its Sublicensees or any of its or their respective Affiliates shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such entity. The methodology for calculating (a) – (d), on a country-by-country basis, shall conform to Generally Accepted Accounting Principles or International Financial Reporting Standards consistently applied by Licensee. For purposes of determining Net Sales, a Licensed Product shall be deemed to be sold when invoiced and a "sale" shall not include transfers or dispositions of such Licensed Product for pre-clinical or clinical purposes or as samples, in each case, without charge.

In the event that a Licensed Product is sold in any country in the form of a Combination Product, Net Sales of such Combination Product shall be adjusted for the purpose of calculating royalties owed to Sanofi hereunder by multiplying actual Net Sales of such Combination Product in such country calculated pursuant to the foregoing definition of "Net Sales" by the fraction A/(A+B), where A is the average invoice price in such country of any Licensed Product that contains a Licensed Compound as its sole active ingredient, if sold separately in such country, and B is the average invoice price in such country of each product that contains the Other Component, if sold separately in such country. If the Other Component is not sold separately, then the actual Net Sales shall be adjusted by multiplying the actual Net Sales by the fraction A/C where A is the actual average of the invoice price (on a per unit basis) of Licensed Product that is part of the Combination Product in the relevant country, if sold separately, and C is the actual average of the invoice prices (on a per unit basis) of the Combination Product in the relevant country. If neither of the foregoing applies, then the Parties shall determine the Net Sales of the Combination Product in good faith based on the respective values of the components of such Combination

Product. In the event the Parties are not able to reach agreement, Net Sales for such Combination Product shall be determined by an expert jointly appointed by the parties, with such determination to be based on the respective values of the components of such Combination Product. The decision of the expert shall be final and binding on the Parties and the fees of the expert shall be equally shared between the Parties.

In the case of pharmacy incentive programs, hospital performance incentive programs, chargebacks, disease management programs, similar programs or discounts on portfolio product offerings, all rebates, discounts and other forms of reimbursements shall be allocated among products on the basis on which such rebates, discounts and other forms of reimbursements were actually granted or, if such basis cannot be determined, in accordance with Licensee's, its Sublicensees' or its or their respective Affiliates' existing allocation method; provided that any such allocation shall be done in accordance with Applicable Law, including any price reporting laws, rules and regulations.

Licensee's or any of its Sublicensees' or its or their respective Affiliates' transfer of any Licensed Product to an Affiliate or Sublicensee shall not result in any Net Sales, unless such Licensed Product is consumed by such Affiliate or Sublicensee in the course of its commercial activities.

1.63 [*].

1.64 "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.

1.65 "**Patents**" means (a) all national, regional and international patents and patent applications, including provisional patent applications, (b) all patent applications filed from any of the foregoing provisional patent applications in clause (a), (c) all patent applications that claim priority to any patent or patent applications in clause (a) or clause (b), including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications, (d) any and all patents that have issued or in the future issue from any of foregoing patent applications in clause (a), clause (b) or clause (c), including utility models, petty patents and design patents and certificates of invention, and (e) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of any of the foregoing patents or patent applications in clause (a), clause (b), clause (c) or clause (d).

1.66 "**Payments**" has the meaning set forth in Section 6.6.

1.67 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.68 "**Phase II Clinical Trial**" means a Clinical Study, the principal purpose of which is a determination of safety and efficacy of a Licensed Product in the target patient population or a similar Clinical Study prescribed by the Regulatory Authorities, from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(b), as amended.

1.69 "**Phase III Clinical Trial**" means a Clinical Study on a sufficient number of subjects that is designed to establish that a Licensed Product is safe and efficacious for its intended use and to determine warnings, precautions and adverse reactions that are associated with such Licensed Product in the dosage range to be prescribed, which Clinical Study is intended to support Regulatory Approval of such Licensed Product, including all tests and studies that are required by the FDA from time to time, pursuant to Applicable Law or otherwise.

1.70 "POC Study" means the first clinical trial conducted by or on behalf of Licensee for the purpose of determining the safe and effective dose range in patients for the proposed therapeutic indication of Licensed Product. For clarity, a [*], shall be deemed a POC Study for the purpose of this Agreement.

1.71 "**Product Labeling**" means, with respect to a Licensed Product in a country in the Territory, (a) the Regulatory Authority-approved full prescribing information for such Licensed Product for such country, including any required patient information and (b) all labels and other written, printed or graphic matter upon an container, wrapper or any package insert utilized with or for such Licensed Product in such country.

1.72 "**Product Trademarks**" means the Trademark(s) to be used by Licensee, its Sublicensees or its or their respective Affiliates for the Commercialization of Licensed Product in the Field in the Territory and any registrations thereof or any pending applications relating thereto in the Territory.

1.73 "**Receiving Party**" has the meaning set forth in Section 9.1.

1.74 "**Regulatory Approval**" means, with respect to a Licensed Product in a country in the Territory, any and all approvals (including Drug Approval Applications), licenses, registrations or authorizations of any Regulatory Authority necessary to commercially distribute, sell or market such Licensed Product in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto) and (c) labeling approval.

1.75 "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities regulating or otherwise exercising authority with respect to the Exploitation of a Licensed Compound or a Licensed Product in the Territory.

1.76 "**Regulatory Documentation**" means all (a) applications (including all INDs and Drug Approval Applications), registrations, licenses, authorizations and approvals (including all Regulatory Approvals), (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, adverse event files and complaint files and (c) Clinical Data and any other data contained in any of the foregoing, in each case ((a), (b) and (c)), relating to Licensed Product.

1.77 "**Regulatory Exclusivity**" means any period of data, market or other regulatory exclusivity, including any such period under the FFDCA, European Parliament and Council Regulations (EC) Nos. 726/2004, 141/2000 and 1901/2006, or national implementations of Article 10 of Directive 2001/83/EC, and all equivalents (in the United States, European Union or elsewhere) of any of the foregoing.

1.78 "**Royalty Term**" means, with respect to each country in the Territory, the period beginning on the date of the First Commercial Sale of Licensed Product in such country, and ending on the latest to occur of (a) the expiration of the last-to-expire Licensed Patent that includes a Valid Claim in such country claiming the composition of matter or formulation of such Licensed Product, the method of making such Licensed Product (to the extent such method is actually used in the Manufacturing of Licensed Product by or on behalf of Licensee, its Affiliates and/or Sublicensees) or the method of using such Licensed Product (to the extent such method is described in the labelling of Licensed Product); (b) the expiration of Regulatory Exclusivity in such country for Licensed Product; and (c) the 10th anniversary of the First Commercial Sale of Licensed Product in such country.

1.79 "**Sanofi**" has the meaning set forth in the preamble hereto.

1.80 "**Sanofi Indemnitees**" has the meaning set forth in Section 11.1.

1.81 "**Sanofi Option**" has the meaning set forth in Section 4.7.1.

1.82 "**Sanofi Option Agreement**" has the meaning set forth in Section 4.7.2.

1.83 "**Sanofi Option Data Package**" has the meaning set forth in Section 4.7.1.

1.84 "**Sanofi Option Notice**" has the meaning set forth in Section 4.7.2.

1.85 "**Sanofi Option Period**" means the period commencing on the date on which Sanofi receives the full and complete Sanofi Option Data Package with respect to the applicable Licensed Product and such other information relating to such Licensed Product that Sanofi requests pursuant to the last sentence of Section 4.7.1 and ending [*].

1.86 "**Sublicense Percentage**" means (a) with respect to a Commercialization Sublicense granted with respect to a Licensed Product prior to [*] for such Licensed Product, [*]%, (b) with respect to a Commercialization Sublicense granted with respect to a Licensed Product prior to [*] for such Licensed Product, [*]%, and (c) with respect to a Commercialization Sublicense granted with respect to a Licensed Product after [*] for such Licensed Product, [*]%.

1.87 "**Sublicensee**" means a Person, other than an Affiliate, that is granted a sublicense by Licensee under the grant in Section 2.1 as provided in Section 2.3 or after Licensee complies with all of its obligations under Section 2.3.

1.88 "**Term**" has the meaning set forth in Section 12.1.

1.89 "**Termination Notice Period**" has the meaning set forth in Section 12.2.

1.90 "**Territory**" means the entire world.

1.91 "**Third Party**" means any Person other than Sanofi, Licensee and their respective Affiliates.

1.92 "**Third Party Claims**" has the meaning set forth in Section 11.1.

1.93 "**Trademark**" means any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo or business symbol, whether or not registered.

1.94 "**United States**" means the United States of America.

1.95 "**Valid Claim**" means, with respect to a particular country, (a) any claim of an issued and unexpired Patent in such country that (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or governmental agency of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal and (ii) has not been abandoned, disclaimed, denied or admitted to be invalid or unenforceable through reissue or disclaimer or otherwise in such country or (b) any claim of a pending Patent application that has not been pending for more than [*] since its priority date and has not been abandoned or finally disallowed without the possibility of appeal or re-filing of the application.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Licensee. Subject to Section 2.2 and Section 4.7 and the other terms and conditions of this Agreement, Sanofi hereby grants to Licensee an exclusive (including with regard to Sanofi and its Affiliates) license (or sublicense), with the right to grant sublicenses in accordance with Section 2.3 or after Licensee complies with all of its obligations under Section 4.7, under the Licensed Patents and the Licensed Know-How to Exploit the Licensed Compound and Licensed Product in the Field in the Territory.

2.2 Retention of Rights; Non-Compete.

2.2.1 Retention of Rights. Notwithstanding anything to the contrary in this Agreement, Sanofi retains, on behalf of itself and its Affiliates, non-exclusive rights in and to the Licensed Patents and the Licensed Know-How to conduct research using the Licensed Compound and/or Licensed Product, and to Manufacture the Licensed Compound and Licensed Product, for use in the performance of such research, provided that such research shall be conducted solely by or on behalf of Sanofi or its Affiliates for its or their internal research purposes.

2.2.2 Non-Compete. During [*], [*] shall not directly or indirectly (including by granting any Third Party the right to do so), [*] any product [*] that is: (a) [*]; and/or (b) [*].

2.3 Sublicenses. Subject to Licensee's compliance with its obligations under Section 4.7, the rights and licenses granted to Licensee under Section 2.1 shall include the right to grant Sublicenses to its Affiliates and/or Third Parties through multiple tiers, to Develop, Commercialize or Exploit the Licensed Compound and Licensed Product in the Field in the Territory; provided that Licensee shall remain responsible for the performance or non-performance of any such Sublicensee, and provide to Sanofi a copy of any executed sublicense agreement (provided that the terms of any such sublicense agreement may be redacted to the extent not pertinent to an understanding of a Party's obligations or benefits under this Agreement, but provided financial provisions shall not be redacted). Licensee hereby guarantees the performance of its Affiliates and Sublicensees and the grant of any such sublicense shall not relieve Licensee of its obligations under this Agreement, except to the extent they are satisfactorily performed by such Affiliates and/or Sublicensees. Any such sublicenses shall be consistent with the terms and conditions of this Agreement. In particular but without limitation, Licensee shall ensure that it obtains ownership and/or licenses and/or rights to all Inventions and Information (including all data, know-how, inventions, Regulatory Documentation and Regulatory Approvals) generated by such sublicensee or under such agreement that are related to Licensed Product and are necessary or reasonably useful to Exploit Licensed Product, sufficient to enable Licensee to grant the rights granted to Sanofi hereunder, including Sanofi's rights under Section 12.7.

2.4 No Implied Rights. For the avoidance of doubt, Licensee, its Sublicensees and its and their respective Affiliates shall have no right, express or implied, with respect to the Licensed Patents and the Licensed Know-How, except as expressly provided in Section 2.1.

2.5 Licensed Know-How Disclosure and Material Transfer.

2.5.1 In General. Within [*] after the Effective Date, Sanofi shall deliver to Licensee [*] (i) the Licensed Know-How in the file format specified in **Exhibit A**, and (ii) [*] of drug substance ("Material") meeting the specifications detailed in **Exhibit C** ("**Material Specifications**") and Manufactured in compliance with cGLP requirements. Such delivery of Material shall be made on an [*], and Licensee shall be responsible for organizing transportation of Material, from Sanofi's facilities at its risks and costs. Notwithstanding anything in this Agreement to the contrary, Licensee will have the right effective upon the Effective Date, to include Licensed Know-How in Licensee's Regulatory Documentation for filing or submission to, or correspondence or discussions with, Regulatory Authorities. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ANY MATERIAL SUPPLIED BY SANOFI UNDER THIS SECTION 2.5.1 ARE SUPPLIED "AS IS" AND SANOFI MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE MATERIAL DOES NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS OF A THIRD PARTY.

Licensee assumes all liability for damages which may arise from the use, storage or disposal of such Material, after its delivery by Sanofi [*]. Sanofi will not be liable to Licensee for any loss, claim or demand made by Licensee, or made against Licensee by any Third Party, due to or arising from the use of such Materials except, to the extent permitted by applicable Laws, when caused by the negligence or willful misconduct of Sanofi.

2.5.2 Additional Assistance. During a [*] period following the Effective Date, Sanofi shall, at no additional cost to Licensee, give Licensee reasonable access to Sanofi personnel familiar with the Licensed Compound and Licensed Product, including without limitation personnel having expertise in connection with the Licensed Know-How, formulation, Regulatory Documentation and Manufacture Process Development thereof, provided however the foregoing assistance shall (i) be limited to [*] and (ii) exclude any travel of the Sanofi personnel to Licensee's facilities or to the facilities of Licensee's Third Party manufacturer or any kind of on-site assistance. To the extent Licensee requests any assistance by Sanofi beyond those set forth above, Sanofi shall use reasonable efforts to provide Licensee [*] assistance [*].

2.6 Compliance. Licensee shall perform or cause to be performed any and all of its activities under this Agreement in a good scientific manner and in compliance with all Applicable Law. Licensee agrees, on behalf of itself, its officers, directors and employees and on behalf of its Affiliates, agents, representatives, consultants and subcontractors hired in connection with the Exploitation of Licensed Product (together with Licensee, the "Licensee Representatives") that in connection with the performance of its obligations hereunder, the Licensee Representatives shall not directly or indirectly pay, offer or promise to pay, or authorize the payment of any money, or give, offer or promise to give, or authorize the giving of anything else of value, to:

(i) any government official in order to influence official action;

(ii) any government official (A) to influence such Person to act in breach of a duty of good faith, impartiality or trust ("acting improperly"), (B) to reward such Person for acting improperly, or (C) where such Person would be acting improperly by receiving the money or other thing of value; or

(iii) any other Person while knowing or having reason to believe that all or any portion of the money or other thing of value will be paid, offered, promised or given to, or will otherwise benefit, a government official in order to influence official action for or against Licensee in connection with the matters that are the subject of this Agreement.

ARTICLE 3
DEVELOPMENT AND REGULATORY

3.1 Development.

3.1.1 In General. Subject to Section 2.2, Licensee shall have the right to Develop Licensed Product in the Field in the Territory at its own cost and expense in accordance with the Development Plan.

3.1.2 Alliance Managers. Within [*] after the Effective Date, each Party shall appoint and notify the other Party of the identity of a representative having the appropriate qualifications, including a general understanding of pharmaceutical development and commercialization issues, to act as its alliance manager under this Agreement (the "**Alliance Manager**"). The Alliance Managers shall serve as the primary contact points between the Parties for the purpose of providing Sanofi with information on the progress of Licensee's Development and Commercialization activities under this Agreement. The Alliance Managers shall also be primarily responsible for facilitating the flow of information and otherwise promoting communication, coordination and collaboration between the Parties. Each Party may replace its Alliance Manager at any time upon written notice to the other Party.

3.1.3 Development Plan. The initial Development Plan, which covers the period [*], has been agreed upon by the Parties and is attached to this Agreement as **Exhibit D**. For [*] and for each Calendar Year thereafter during the Term, Licensee shall prepare an update to the Development Plan in good faith and submit such updated Development Plan to Sanofi. Each update to the Development Plan shall set forth for the applicable Calendar Year the Development objectives, the planned Clinical Studies and other Development activities and the contemplated timelines for the foregoing. In addition, Licensee may propose updates to the Development Plan to Sanofi from time to time as appropriate in light of changed circumstances.

3.1.4 Diligence. Licensee shall use Commercially Reasonable Efforts to Develop and obtain and maintain Regulatory Approvals for Licensed Product in each of the Major Markets.

3.2 Regulatory Matters. Licensee shall have the responsibility for preparing, obtaining and maintaining Drug Approval Applications and any other Regulatory Approvals and other submissions, and for conducting communications with the Regulatory Authorities, for Licensed Product in the Territory. All Regulatory Approvals relating to Licensed Product with respect to the Territory shall be owned by, and shall be the sole property and held in the name of, Licensee or its designated Affiliate or Sublicensee.

3.3 Reports. At least [*] until Regulatory Approval is obtained in each of the Major Markets for Licensed Product, Licensee shall provide Sanofi with a summary report describing (a) the Development activities it has performed, or caused to be performed, since the preceding report (including any filings, submissions, communications or meetings with any Regulatory Authorities), (b) its Development activities in process, and (c) the future activities it expects to initiate during the then-current half-Calendar Year period (including any filings, submissions, communications or meetings with any Regulatory Authorities).

3.4 Records. Licensee shall maintain, or cause to be maintained, all Regulatory Documentation and final supporting records and documentation therefor (but not draft records or documentation therefor except as otherwise required by Applicable Law), in sufficient detail and in compliance with Applicable Law. Such records and documentation shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of the applicable Development activities in a manner appropriate for any regulatory purpose and, when applicable, for use in connection with Patent filings, prosecution and maintenance. Such records and documentation shall be retained for at least [*] or such

longer period as may be required by Applicable Law. Licensee shall use diligent efforts to ensure that such records and documentation include only information with respect to the applicable Development activities under this Agreement and do not include, and are not commingled with, records of activities outside of this Agreement. Sanofi shall have the right, during normal business hours and upon reasonable notice, to inspect and copy any such records.

3.5 Subcontracting. Licensee may subcontract the exercise of its rights and the performance of its obligations under this Article 3; provided that (a) Licensee shall oversee the performance by its subcontractors of the subcontracted activities in a manner that would be reasonably expected to result in their timely and successful completion and shall remain responsible for the performance of such activities in accordance with this Agreement and the Development Plan and (b) any agreement pursuant to which Licensee engages a subcontractor must (i) be consistent with this Agreement and (ii) contain terms obligating such subcontractor to: (A) comply with confidentiality provisions that are at least as restrictive as those set forth in Article 9 (provided that, the duration of such obligations shall extend at least during the term of such agreement and [*] thereafter); and (B) provide Licensee with ownership of all Inventions and Information (including all data, know-how, inventions, Regulatory Documentation and Regulatory Approvals) generated by such subcontractor under such agreement that are related to Licensed Product and are necessary or reasonably useful to Exploit Licensed Product, to enable Licensee to grant the rights granted to Sanofi hereunder, including Sanofi's rights under Section 12.7.

ARTICLE 4
COMMERCIALIZATION

4.1 In General. Licensee shall Commercialize Licensed Product in the Field in the Territory at its own cost and expense.

4.2 Diligence. Licensee shall use Commercially Reasonable Efforts to Commercialize Licensed Product in the Field in each of the Major Markets after obtaining Regulatory Approval to do so.

4.3 Compliance with Applicable Law. Licensee shall, and shall cause its Sublicensees and its and their respective Affiliates to, comply with all Applicable Law with respect to the Commercialization of Licensed Product. Licensee shall, and shall cause its Sublicensees and its and their respective Affiliates to, avoid taking or failing to take any actions that Licensee knows or reasonably should know would jeopardize the goodwill or reputation of Licensed Product.

4.4 Sales and Distribution. Licensee shall be solely responsible for invoicing and booking sales, establishing all terms of sale (including pricing and discounts) and warehousing and distributing Licensed Product in the Field in the Territory and shall perform all related services, in each case, in a manner consistent with the terms and conditions of this Agreement. Licensee shall be solely responsible for handling all returns, recalls and withdrawals, order processing, invoicing and collection, distribution and inventory and receivables with respect to Licensed Product in the Territory.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

4.5 Product Trademarks. Licensee shall have the right to determine and own the Product Trademarks to be used with respect to the Exploitation of Licensed Product in the Field in the Territory.

4.6 Markings. The promotional materials, packaging and Product Labeling for Licensed Product used by Licensee, its Sublicensees or its or their respective Affiliates in connection with Licensed Product in the Territory shall contain a reference to the fact Licensed Product is licensed from Sanofi (collectively, the "**Markings**"). The manner in which such reference is to be presented on promotional materials, packaging and Product Labeling for Licensed Product shall be subject to prior review and approval by Sanofi, such approval not to be unreasonably conditioned, withheld or delayed.

4.7 Sanofi Option.

4.7.1 If, at any time during the Term, Licensee (a) [*] a Commercialization License in any of the Major Markets, (b) [*] a Commercialization Sublicense for such Major Market(s) ((a) and (b) each an "**Opportunity**"), or (c) [*], Licensee shall so notify Sanofi in writing and grant Sanofi an option to engage in exclusive negotiations with Licensee to obtain the rights for it and/or its Affiliates to Exploit Licensed Product in the Field in the Territory (in the case of (c)) or in any such Major Market(s) (in the case of (a) and/or (b)). Licensee's notification to Sanofi shall be accompanied by a data package (the "**Option Data Package**") containing the following information with respect to Licensed Product: [*]. In addition, Licensee promptly shall make available to Sanofi such other material information relating to the applicable Licensed Product as Sanofi may reasonably request in order to make an informed decision regarding whether to exercise the applicable Sanofi Option with respect to such Licensed Product.

4.7.2 Sanofi may exercise a Sanofi Option with respect to a Licensed Product for the applicable Major Market(s) by providing written notice to Licensee (a "**Sanofi Option Notice**") at any time during the Sanofi Option Period with respect to such Sanofi Option for such Major Market(s). If Sanofi exercises a Sanofi Option with respect to a Licensed Product during the applicable Sanofi Option Period, then during the period beginning on the date Sanofi provides the applicable Commercialization Option Notice to Licensee and ending [*] thereafter (or such later date as may be mutually agreed by the Parties) (the "**Negotiation Period**"), the Parties shall negotiate in good faith the terms and conditions of an agreement pursuant to which Sanofi and its Affiliates would obtain the exclusive rights to Exploit such Licensed Product in the Field in the Territory or in the relevant Major Market(s), which may be in the form of an assignment, an exclusive license or such other grant of rights as the Parties may agree (a "**Sanofi Option Agreement**").

4.7.3 Expiration and Revival of Sanofi Option

(a) If, with respect to an Opportunity, (A) Sanofi [*] or (B) Licensee and Sanofi [*], then, in either case (A) or (B), the Sanofi Option shall expire with respect to such Opportunity and Licensee or its Affiliate, as applicable, shall be free to discuss and enter into a Commercialization License with respect to such Opportunity without further obligation to Sanofi, provided however that (i) [*], and provided further that, [*], as the case may be, then [*]; and (ii) if [*], then [*].

(b) If, after notification by Licensee to Sanofi [*] pursuant to Section 4.7.1(c), [*] then Sanofi Option shall permanently expire.

4.7.4 If Licensee and Sanofi enter into any Sanofi Option Agreement pursuant to Section 4.7.2, then in the event of any conflict between the terms of this Agreement and the terms of any such Sanofi Option Agreement, the terms of such Sanofi Option Agreement shall prevail.

ARTICLE 5
MANUFACTURE AND SUPPLY

5.1 Manufacture and Supply. Licensee shall (a) be responsible for the Manufacture of Licensed Product in sufficient quantities for the Exploitation of such Licensed Product in the Field in the Territory and (b) use Commercially Reasonable Efforts to assure an efficient and reliable supply of Licensed Product conforming to the applicable specifications with respect thereto as necessary to Exploit and maintain Regulatory Approvals for Licensed Product in the Field in the Territory, including developing commercially reasonable arrangements and strategies for back-up sources of supply of Licensed Product that appropriately and reasonably minimize the risk of supply shortfalls and that take into account expected inventory levels and demand. In furtherance of the obligations set forth in the preceding sentence, Licensee shall either itself Manufacture and supply, or enter into one or more definitive Manufacturing and supply agreements with appropriate Third Parties, to Manufacture and supply clinical and commercial supplies of Licensed Product. Licensee shall, and shall cause its Affiliates and any Third Party that Manufactures and supplies clinical or commercial supplies of any Licensed Product to, comply with all Applicable Law with respect to the Manufacture of Licensed Product.

ARTICLE 6
PAYMENTS

6.1 Upfront Payment. Licensee shall pay Sanofi an upfront amount equal to US$500,000.00. Such upfront shall be nonrefundable and noncreditable against any other payments due hereunder and shall be paid in two (2) installments as follows:

6.1.1 US$[*], no later than [*] after the Effective Date; and

6.1.2 US$[*], upon the delivery by Sanofi of (i) the documents listed in Exhibit A and (ii) the Material.

6.2 Milestones.

6.2.1 Development Milestones.

(a) Licensee shall pay Sanofi each of the following non-refundable, non-creditable milestone payments within [*] after the achievement of the corresponding Milestone Event, with each such payment payable only once under this Agreement, regardless how many times the corresponding Milestone Event occurs, and the total payment by Licensee to Sanofi under this Section 6.2.1(a) under this Agreement not to exceed [*].

Milestone Event	Milestone Payment
[*]	US$ [*]
[*]	US$ [*]
[*]	US$ [*]
[*]	US$ [*]
[*]	US$ [*]

6.3 Royalties.

6.3.1 Royalty Rates. Subject to Section 6.3.2, Licensee shall pay Sanofi, during the Royalty Term, a royalty on Net Sales of each Licensed Product in the Territory in each Calendar Year (or partial Calendar Year), as follows:

That portion of Net Sales of all Licensed Product in the Territory in a Calendar Year that is:	Royalty Rate
Less than or equal to $[*]	[*]%
Greater than $[*] but less than or equal to $[*]	[*]%
Greater than $[*]	[*]%

6.3.2 Royalty Step-Down. For the purpose of determining the royalties payable pursuant to Section 6.3.1, the Net Sales of a Licensed Product in a country, that occur after the expiration of the last to expire of, or during any period in which there are no, Licensed Patents that include at least one Valid Claim that would be infringed by the sale of Licensed Product in such country absent this license, shall be reduced by [*].

6.3.3 Generic Product. On a country-by-country basis, if in any Calendar Quarter during the Royalty Term following introduction of a Generic Product in a country (i) there is no Valid Claim within the Licensed Patents in such country and (ii) the market share of Licensee, its Affiliates or their Sublicensees, as applicable, for such Licensed Product in the Field in such country in such Calendar Quarter (as measured by reputable published data for such country, e.g. by reference to market share data collected by IMS) (“Market Share”) is reduced by [*] or more compared to the Market Share in the immediately preceding calendar quarter, then the applicable royalty payable to Sanofi for such Calendar Quarter under Section 6.3.1 shall be reduced by [*].

6.3.4 Third Party License. If, during the Term and following the Effective Date, Licensee enters into an agreement with a Third Party in order to obtain a license under any intellectual property rights of one or more Third Parties that is necessary to Exploit Licensed Product (a "**Third Party License**"), then, subject to Licensee sending Sanofi a copy of such Third Party License, Licensee shall have the right to deduct [*] of the amounts actually paid by Licensee pursuant to the terms of any such Third Party License during a particular Calendar Quarter from the royalties otherwise due to Sanofi under this Section 6.3 with respect to such Calendar Quarter, provided however that Sanofi shall in any event receive at least [*] of the royalty amounts that would otherwise be owed to it in the absence of such Third Party License.

6.3.5 Payment Dates and Reports. Royalty payments shall be made by Licensee within [*] days after the end of each Calendar Quarter commencing with the Calendar Quarter in which the first day of the first Royalty Term for the first Licensed Product occurs. Licensee shall also provide to Sanofi, at the same time each such payment is made, a report showing: (a) the Net Sales of Licensed Product by country in the Territory; (b) the basis for any deductions from Invoiced Sales to determine Net Sales; (c) the applicable royalty rates for Licensed Product; (d) the exchange rates used in calculating any of the foregoing; and (e) a calculation of the amount of royalty due to Sanofi.

6.4 Sublicense Revenue.

6.4.1 Net Sales by Sublicensees. Any and all Net Sales by Sublicensees shall be included in the Net Sales calculations in Section 6.3.1 and Section 6.3.2 for purposes of determining the milestones or royalties, as applicable, owed by Licensee to Sanofi thereunder.

6.4.2 Other Sublicense Revenue. Upon the execution by Licensee of a Commercialization License for Licensed Product, which may also include other rights such as the Development and/or Manufacturing of Licensed Product, Licensee shall pay to Sanofi:

[*]

6.5 Mode of Payment; Current Conversion.

(a) All payments to Sanofi under this Agreement shall be made by deposit of Dollars in the requisite amount to such bank account as Sanofi may from time to time designate by notice to Licensee.

(b) If any currency conversion shall be required in connection with any payment hereunder, such conversion shall be made by using [*].

6.6 Taxes. The milestones and other amounts payable by Licensee to Sanofi pursuant to this Agreement ("**Payments**") shall not be reduced on account of any taxes unless required by Applicable Law. Sanofi alone shall be responsible for paying any and all taxes (other than withholding taxes required by Applicable Law to be paid by Licensee) levied on account of, or measured in whole or in part by reference to, any Payments it receives. Licensee shall deduct

or withhold from the Payments any taxes that it is required by Applicable Law to deduct or withhold. Notwithstanding the foregoing, if Sanofi is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, applicable withholding tax, it shall deliver to Licensee or the appropriate governmental authority (with the assistance of Licensee to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve Licensee of its obligation to withhold tax, and Licensee shall apply the reduced rate of withholding, or dispense with withholding, as the case may be; provided that Licensee has received evidence, in a form reasonably satisfactory to Licensee, of Sanofi's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least [*] prior to the time that the Payments are due. If, in accordance with the foregoing, Licensee withholds any amount, it shall pay to Sanofi the balance when due, make timely payment to the proper taxing authority of the withheld amount and send to Sanofi proof of such payment within [*] following such payment. Licensee shall be responsible for any sales or other similar tax that Sanofi may be required to collect with respect to the Payments.

6.7 Interest on Late Payments. If any Payment due to Sanofi under this Agreement is not paid in when due, then Licensee shall pay interest thereon and on any unpaid accrued interest (before and after any judgment) at an annual rate (but with interest accruing on a daily basis) of [*], such interest to run from the date upon which payment of such amount became due until payment thereof in full together with such accrued interest.

6.8 Financial Records. Licensee shall, and shall cause its Sublicensees and its and their respective Affiliates to, keep complete and accurate books and records pertaining to the sale, delivery and use of Licensed Product, including books and records of Invoiced Sales (including any deductions therefrom) and Net Sales of Licensed Product in the Territory. Licensee shall, and shall cause its Sublicensees and its and their respective Affiliates to, retain such books and records, until the later of [*] after the end of the period to which such books and records pertain and the expiration of the applicable tax statute of limitations (or any extensions thereof), or for such longer period as may be required by Applicable Law.

6.9 Audit. At the request of Sanofi, Licensee shall, and shall cause its Sublicensees and its and their respective Affiliates to, permit an independent certified public accountant retained by Sanofi, at reasonable times and upon reasonable notice, to audit the books and records maintained pursuant to Section 6.8. Such audits may not (a) be conducted for any Calendar Quarter more than [*] after the end of such Calendar Quarter, (b) be conducted more than [*] (unless a previous audit during such [*] period revealed an underpayment with respect to such period or Licensee restates or revises such books and records for such [*] period) or (c) be repeated for any Calendar Quarter. Except as provided below, the cost of any audit shall be borne by Sanofi, unless the audit reveals a variance of more than [*] from the reported amounts, in which case Licensee shall bear the cost of the audit. Unless disputed pursuant to Section 6.10, if such audit concludes that additional payments were owed or that excess payments were made during such period, Licensee shall pay the additional amounts, with interest from the date originally due as provided in Section 6.7, or Sanofi shall reimburse such excess payments, in either case, within [*] after the date on which such audit is completed and the conclusions thereof are notified to the Parties.

6.10 Audit Dispute. In the event of a dispute over the results of any audit conducted pursuant to Section 6.9, Sanofi and Licensee shall work in good faith to resolve such dispute. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within [*], the dispute shall be submitted for arbitration to a certified public accounting firm selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Accountant**") or failing such agreement, as the [*] (or such other body as the Parties may mutually agree), may nominate. The decision of the Accountant shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Accountant shall determine. Not later than [*] after such decision and in accordance with such decision, Licensee shall pay the additional royalties, with interest from the date originally due as provided in Section 6.7 or Sanofi shall reimburse such excess payments, as applicable.

6.11 Confidentiality. Sanofi shall treat all information subject to review under this Article 6 in accordance with the confidentiality provisions of Article 9 and Sanofi shall cause the independent public accountant retained by Sanofi pursuant to Section 6.9 or the Accountant, as applicable, to enter into a reasonably acceptable confidentiality agreement that includes an obligation to retain all such financial information in confidence.

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 Ownership of Intellectual Property.

7.1.1 Ownership of Technology. Subject to the licenses granted hereunder, as between the Parties, each Party shall solely own and retain all right, title and interest in and to any and all Information and Inventions that are conceived, discovered, developed or otherwise made solely by or on behalf of such Party, its (sub)licensees or its and their respective Affiliates under or in connection with this Agreement, whether or not patented or patentable, and any and all Patents and other intellectual property rights with respect thereto. The Parties do not anticipate that Information and/or Inventions will be conceived, discovered, developed or otherwise made jointly by the Parties under this Agreement. However, in the unlikely event that such joint Information and/or Invention is generated, the Parties shall jointly own such Information and/or Invention and each Party's rights therein shall be subject to the licenses granted to the other Party under this Agreement. The determination of authorship, inventorship or ownership of any Information and Inventions that are conceived, discovered, developed or otherwise made under or in connection with this Agreement shall be made under applicable United States law in effect as of the Effective Date, irrespective of where such Information and Invention is actually conceived, discovered, developed or otherwise made.

7.2 Prosecution and Maintenance of Patents.

7.2.1 Licensed Patents. All decisions and actions with respect to the prosecution and maintenance of the Licensed Patents shall remain the responsibility of Sanofi and Sanofi shall bear the costs therefor. Sanofi shall keep Licensee informed of the progress of such activities, and shall provide Licensee with copies of any responses and material correspondence with the patent authorities. In the event Sanofi decides to discontinue the

prosecution or maintenance of any Licensed Patent, Sanofi shall notify Licensee in writing at least [*] prior to the next scheduled filing or other deadline with respect thereto, and Licensee shall have the right, but not obligation, to continue the prosecution and/or maintenance of such Licensed Patent and shall bear the costs therefor.

7.2.2 Licensee Patents. Licensee shall be solely responsible, at its discretion and expense, for all decisions and actions with respect to the preparation, filing, prosecution and maintenance of Licensee Patents. Throughout the Term, Licensee shall keep Sanofi informed of the filing and prosecution of any Licensee Patent.

7.2.3 Patent Term Extensions. Licensee and Sanofi shall cooperate with each other and shall use commercially reasonable efforts to obtain patent term extensions (including any pediatric exclusivity extensions as may be available) or supplementary protection certificates or their equivalents in any country with respect to patent rights covering Licensed Product. Sanofi hereby grants Licensee the exclusive right and option to apply for patent term extensions or supplemental protection certificates or their equivalents in any country under the Licensed Patents. Should Licensee decide not to file a patent term extension or supplementary protection certificate with respect to any patent right covering Licensed Product in any country where it would in theory be possible per local patent law, then Licensee shall notify Sanofi in writing at least [*] prior to the expiry of the time limit for filing the extension or certificate and Sanofi shall have the right, but no obligation, to file such patent term extension or supplementary protection certificate.

7.2.4 Registration of License. Licensee shall register the present license with the Patent Office of any jurisdiction where Licensee receives a Regulatory Approval for the Commercialization of the Licensed Product, at its own expenses. Promptly after registration, Licensee shall provide Sanofi with the certifications of the license registration in such jurisdiction.

7.3 Patent Enforcement.

7.3.1 Notification. If either Party becomes aware of any existing or threatened Infringement of the Licensed Patents in the Territory, which infringing activity involves the manufacture, use, import, offer for sale or sale of any Licensed Product in the Territory (a “Product Infringement”), it shall promptly notify the other Party in writing to that effect, and the Parties will consult with each other regarding any actions to be taken with respect to such Product Infringement.

7.3.2 Right to Enforce. Licensee shall have the first right, but shall not be obligated, to bring an infringement action against any person or entity engaged in a Product Infringement of the Licensed Patents, at Licensee’s sole cost and expense. If Licensee fails to bring such an action with respect to a Licensed Patent (or to settle or otherwise secure the abatement of such Product Infringement) prior to the earlier of: (i) [*] following Licensee’s receipt or delivery of the notice under Section 7.3.1, or (ii) [*] before the deadline, if any, set forth in the applicable Laws for the filing of such actions, Sanofi shall have the right to bring and control any such action, at its own expense and by counsel of its own choice.

7.3.3 Cooperation. Each Party shall provide to the enforcing Party reasonable assistance in such enforcement, at such enforcing Party's request and expense, including joining such action as a party plaintiff if required by applicable Laws to pursue such action. The enforcing Party shall keep the other Party regularly informed of the status and progress of such enforcement efforts, shall reasonably consider the other Party's comments on any such efforts, and shall seek consent of the other Party in any important aspects of such enforcement, including determination of litigation strategy and filing of material papers to the competent court, which consent shall not be unreasonably withheld or delayed. The non-enforcing Party shall be entitled to separate representation in such matter by counsel of its own choice and at its own expense, but such Party shall at all times cooperate fully with the enforcing Party. Neither Party shall have the right to settle any patent infringement litigation under this Section 7.3 in a manner that diminishes the rights or interests of the other Party without the prior written consent of such other Party, such consent not to be unreasonably withheld or delayed.

7.3.4 Expenses and Recoveries. The enforcing Party bringing a claim, suit or action under Section 7.3.1 or 7.3.2 shall be solely responsible for any expenses incurred by such Party as a result of such claim, suit or action. If such Party recovers monetary damages in such claim, suit or action, such recovery shall be allocated first to the reimbursement of any expenses incurred by the Parties in such litigation (including, for this purpose, a reasonable allocation of expenses of internal counsel), and any remaining amounts shall be shared as follows: (i) if Sanofi is the enforcing Party: the remaining amount will be [*], or (ii) if Licensee is the enforcing Party: the remaining amount will be [*].

7.4 Patent Oppositions and Other Proceedings.

7.4.1 If a Licensed Patent becomes the subject of any proceeding commenced by a Third Party in connection with an opposition, action for declaratory judgment, nullity action, interference or other attack upon the validity, title or enforceability thereof, then Licensee shall have the first right, but not the obligation, to control such defense at its own expense using counsel of its own choice. If Licensee decides that it does not wish to defend against such action, it shall notify Sanofi reasonably in advance of all applicable deadlines, and Sanofi shall thereafter have the right, but not the obligation, to assume defense of such action at its own expense.

7.4.2 The Party controlling any defense under this Section 7.4 shall permit the non-controlling Party to participate in the proceedings to the extent permissible under applicable Laws and to be represented by its own counsel at the non-controlling Party's expense. Notwithstanding any of the foregoing, the Party controlling any enforcement action pursuant to Section 7.3 shall also have the sole right to control the response to any attack on the validity, title, or enforceability of a Patent that is asserted by the alleged infringer(s) as a counterclaim or affirmative defense in such action. Neither Party shall have the right to settle any proceeding under this Section 7.4 in a manner that diminishes the rights or interests of the other Party without the prior written consent of such other Party, such consent not to be unreasonably withheld or delayed.

7.4.3 Each Party shall assist and cooperate with the other Party as such other Party may reasonably request from time to time in connection with its activities set forth in Section 7.4.1, including by providing access to relevant documents and other evidence and making its employees available at reasonable business hours; provided that neither Party shall be required to disclose legally privileged information unless and until procedures reasonably acceptable to such Party are in place to protect such privilege. In connection with any such defense or claim or counterclaim, the controlling Party shall consider in good faith any comments from the other Party and shall keep the other Party reasonably informed of any steps taken, and shall provide copies of all documents filed, in connection with such defense, claim or counterclaim. In connection with the activities set forth in Section 7.4.1, each Party shall consult with the other as to the strategy for the defense of the Licensed Patents.

7.5 Patent Marking. Licensee shall, to the extent practicable, mark Licensed Product (or when the character of the product precludes marking, the package containing any such Licensed Product) marketed and sold by Licensee or its Affiliates or their Sublicensees or subcontractors hereunder in accordance with all applicable Laws relating to patent marking.

7.6 Infringement of Third Party Rights. If any Licensed Product used or sold by Licensee or its Affiliates or their Sublicensees or subcontractors becomes the subject of a Third Party's claim or assertion of infringement of a Patent granted by a jurisdiction within the Territory, Licensee shall promptly notify Sanofi, and the Parties shall agree on and enter into a "common interest agreement" wherein the Parties agree to their shared, mutual interest in the outcome of such potential dispute, and thereafter, the Parties shall promptly meet to consider the claim or assertion and the appropriate course of action. Unless agreed otherwise by the Parties, Licensee shall be solely responsible for defending against any such claim or assertion, at its sole expense. Licensee shall keep Sanofi fully informed of such claim and its defense, and shall reasonably consider and seek to accommodate any timely comments of Sanofi with respect thereto.

7.7 Third Party Licenses. If, in the reasonable opinion of counsel to Licensee, the Exploitation of Licensed Product in the Field in the Territory by Licensee, its Sublicensees or its or their respective Affiliates infringes or misappropriates any Patent or any intellectual property right of a Third Party in any country in the Territory, such that Licensee, its Sublicensees or its or their respective Affiliates cannot Exploit Licensed Product in such country without infringing the Patent or intellectual property right of such Third Party, then Licensee shall have the first right, but not the obligation, to take the lead on negotiating the terms of each such license for one or more countries in the Territory. Licensee shall be responsible for all license fees, milestones, royalties or other such payments due to such Third Party, subject to its right under Section 6.3.4.

7.8 Product Trademarks. Licensee shall own all right, title, and interest to the Product Trademarks in the Territory, and shall be responsible for the registration, prosecution, maintenance and enforcement thereof. All costs and expenses of registering, prosecuting, maintaining and enforcing the Product Trademarks shall be borne solely by Licensee.

ARTICLE 8
PHARMACOVIGILANCE AND SAFETY

8.1 Pharmacovigilance. Licensee shall be solely responsible for pharmacovigilance activities in connection with the Exploitation of Licensed Product in the Field under this Agreement, at its sole expense.

8.2 Global Safety Database. Licensee shall set up, hold, and maintain (at Licensee's sole cost and expense) the global safety database for Licensed Product in the Territory.

ARTICLE 9
CONFIDENTIALITY AND NON-DISCLOSURE

9.1 Confidentiality Obligations. At all times during the Term and for a period of [*] following termination or expiration of this Agreement, each Party shall, and shall cause its Affiliates and, in the case of Licensee as the Receiving Party, its Sublicensees, and its and their respective officers, directors, employees and agents to, keep completely confidential and not publish or otherwise disclose and not use, directly or indirectly, for any purpose, any Confidential Information furnished or otherwise made known to it, directly or indirectly, by the other Party, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or such use is reasonably necessary for the performance of its obligations or the exercise of its rights under this Agreement. "**Confidential Information**" means any information provided by one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") under or in connection with this Agreement, including the terms of this Agreement or any information relating to Licensed Product (including the Regulatory Documentation and Regulatory Approvals and any information or data contained therein), any Exploitation of Licensed Product in the Territory or the scientific, regulatory or business affairs or other activities of either Party. Notwithstanding the foregoing, Confidential Information shall not include any information that:

9.1.1 is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no wrongful act, fault or negligence on the part of the Receiving Party;

9.1.2 can be demonstrated by documentation or other competent proof to have been in the Receiving Party's possession prior to disclosure by the Disclosing Party without any obligation of confidentiality with respect to such information;

9.1.3 is subsequently received by the Receiving Party from a Third Party who is not bound by any obligation of confidentiality with respect to such information; or

9.1.4 can be demonstrated by documentation or other competent evidence to have been independently developed by or for the Receiving Party without reference to the Disclosing Party's Confidential Information.

Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the Receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the Receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the Receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the Receiving Party unless the combination and its principles are in the public domain or in the possession of the Receiving Party.

9.2 Permitted Disclosures. Each Receiving Party may disclose Confidential Information disclosed to it by the Disclosing Party to the extent that such disclosure by the Receiving Party is:

9.2.1 made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of the Receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law or the requirements of a national securities exchange or other similar regulatory body; provided that the Receiving Party shall first have given notice, to the extent legally permitted, to the Disclosing Party and given the Disclosing Party a reasonable opportunity to quash such order and to obtain a protective order requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; and provided further that if a disclosure order is not quashed or a protective order is not obtained, the Confidential Information disclosed in response to such court or governmental order shall be limited to the information that is legally required to be disclosed in response to such court or governmental order;

9.2.2 made by the Receiving Party to a Regulatory Authority as required in connection with any filing, application or request for Regulatory Approval; provided that reasonable measures shall be taken to obtain confidential treatment of such information;

9.2.3 made by the Receiving Party as necessary to file or prosecute Patent applications pursuant to Section 7.2.1 or Section 7.2.2, as applicable, prosecute or defend litigation or otherwise establish rights or enforce obligations under this Agreement; provided that reasonable measures shall be taken to obtain confidential treatment of such information;

9.2.4 made by the Receiving Party to actual or prospective acquirers, merger candidates, investors, Sublicensees, consultants, agents, subcontractors or, with respect to Sanofi as the Receiving Party, investors in connection with a Monetization (and to its and their respective Affiliates, representatives and financing sources); provided that (a) each such Third Party signs an agreement that contains obligations that are substantially similar to the Receiving Party's obligations hereunder (except that the obligations under such agreement may terminate [*] after disclosure of the relevant information), and (b) each such Third Party to whom information is disclosed shall (i) be subject to reasonable obligations of confidentiality, (ii) be informed of the confidential nature of the Confidential Information so disclosed, and (iii) agree to hold such Confidential Information subject to the terms thereof.

9.3 Use of Name. Except as expressly provided in this Agreement, neither Party shall mention or otherwise use the name, insignia, symbol, Trademark of the other Party (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material or other form of publicity without the prior written approval of such other Party in each instance, such approval not be unreasonably conditioned, withheld or delayed. The restrictions imposed by this Section 9.3 shall not prohibit either Party from making any disclosure (a) identifying the other Party as a counterparty to this Agreement, (b) that is required by Applicable Law or the requirements of a national securities exchange or another similar regulatory body (provided that any such disclosure shall be governed by this Article 9) or (c) with respect to which written consent has previously been obtained. Further, the restrictions imposed on each Party under this Section 9.3 are not intended, and shall not be construed, to prohibit a Party from identifying the other Party in its internal business communications, provided that any Confidential Information in such communications remains subject to this Article 9.

9.4 Press Releases. Neither Party shall issue any press release or other similar public communication relating to this Agreement, its subject matter or the transactions covered by it, or the activities of the Parties under or in connection with this Agreement, without the prior written approval of the other Party, except (a) for communications required by Applicable Law as reasonably advised by the issuing Party's counsel (provided that the other Party is given a reasonable opportunity to review and comment on any such press release or public communication in advance thereof to the extent legally permitted and the issuing Party shall act in good faith to incorporate any comments provided by the other Party on such press release or public communication), (b) for information that has been previously disclosed publicly or (c) as otherwise set forth in this Agreement.

9.5 Publications. During the Term, Sanofi may not publish any Information related to a Licensed Compound or a Licensed Product (other than Information contained in a Patent within the Licensed Patent that is published pursuant to applicable patent laws), without the prior written approval of Licensee, which approval will not be unreasonably withheld or delayed. Licensee may publish any Information related to the Development of a Licensed Compound or a Licensed Product, without the prior written consent of Sanofi, unless any such publication contains any Confidential Information of Sanofi.

9.6 Return or Destruction of Confidential Information. Within [*] after the termination of this Agreement, or (c) the written request of the Disclosing Party, the Receiving Party shall, at the Disclosing Party's discretion, promptly destroy or return to the Disclosing Party all documentary, electronic or other tangible embodiments of the Disclosing Party's Confidential Information to which the Receiving Party does not retain rights hereunder and any and all copies thereof, and destroy those portions of any documents that incorporate or are derived from the Disclosing Party's Confidential Information to which the Receiving Party does not retain rights hereunder, and provide a written certification of such destruction, except that the Receiving Party may retain one copy thereof, to the extent that the Receiving Party requires such Confidential Information for the purpose of performing any obligations or exercising any rights under this Agreement that may survive such expiration or termination, or for archival purposes. Notwithstanding the foregoing, the Receiving Party also shall be permitted to retain such additional copies of or any computer records or files containing the Disclosing Party's Confidential Information that have been created solely by the Receiving Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with the Receiving Party's standard archiving and back-up procedures, but not for any other use or purpose.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Mutual Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date as follows:

10.1.1 Corporate Authority. Such Party (a) has the power and authority and the legal right to enter into this Agreement and perform its obligations hereunder and (b) has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance with its terms subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered in a proceeding at law or equity.

10.1.2 Consents and Approvals. All necessary consents, approvals and authorizations of all Regulatory Authorities and other Persons required to be obtained by such Party in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder have been obtained.

10.1.3 Conflicts. The execution and delivery of this Agreement and the performance of such Party's obligations hereunder (a) do not conflict with or violate any requirement of Applicable Law or any provision of the articles of incorporation or bylaws of such Party in any material way and (b) do not conflict with, violate or breach or constitute a default or require any consent under, any contractual obligation or court or administrative order by which such Party is bound.

10.2 Representations, Warranties and Covenants of Licensee.

10.2.1 Licensee is a company or corporation duly organized, validly existing and in good standing under the laws of the state or other jurisdiction of incorporation or formation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

10.2.2 Neither Licensee nor any of its Affiliates has been debarred or is subject to debarment and neither Licensee nor any of its Affiliates will use in any capacity, in connection with the activities to be performed under this Agreement, any Person who has been debarred pursuant to Section 306 of the FFDCA or who is the subject of a conviction described in such section. Licensee shall inform Sanofi in writing immediately if it or any Person who is performing activities hereunder is debarred or is the subject of a conviction described in Section 306 or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to the best of Licensee's knowledge, is threatened, relating to the debarment or conviction of Licensee or any Person performing activities hereunder.

10.3 Representations and Warranties of Sanofi. Sanofi hereby represents and warrants that, as of the Effective Date:

10.3.1 Sanofi is the sole owner of the Licensed Patents, free and clear of any lien and Sanofi has not granted the right to any Third Party to manufacture, develop and/or commercialize the Licensed Compound and/or Licensed Product under the Licensed Patents or Licensed Know-How, and Sanofi does not own or otherwise control any other patent application or patent that claim the composition of matter of, or the method of making or using, the Licensed Compound, that is not a Licensed Patent;

10.3.2 There are no judgments or settlements against or owed by it or any of its Affiliates relating to the Licensed Patents.

10.4 DISCLAIMER OF WARRANTY. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTIONS 10.1, 10.2 AND 10.3, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTY, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

10.5 ADDITIONAL WAIVER. EXCEPT AS SET FORTH IN SECTION 10.3, LICENSEE AGREES THAT: (A) THE LICENSED PATENTS ARE LICENSED "AS IS," "WITH ALL FAULTS," AND "WITH ALL DEFECTS," AND LICENSEE EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST SANOFI FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE OR WARRANTY OF ANY KIND RELATING TO THE LICENSED PATENTS; (B) LICENSEE AGREES THAT SANOFI WILL HAVE NO LIABILITY TO LICENSEE FOR ANY ACT OR OMISSION IN THE PREPARATION, FILING, PROSECUTION, MAINTENANCE, ENFORCEMENT, DEFENCE OR OTHER HANDLING OF THE LICENSED PATENTS; AND (C) LICENSEE IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE LICENSED PATENTS HAVE APPLICABILITY OR UTILITY IN LICENSEE'S CONTEMPLATED EXPLOITATION OF THE LICENSED PRODUCT, AND LICENSEE ASSUMES ALL RISK AND LIABILITY IN CONNECTION WITH SUCH DETERMINATION.

ARTICLE 11
INDEMNITY

11.1 Indemnification of Sanofi. Licensee shall indemnify Sanofi, its Affiliates and its and their respective directors, officers, employees and agents (collectively, "**Sanofi Indemnitees**"), and defend and save each of them harmless, from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims or

demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of: (a) the breach by Licensee of any term of this Agreement or any representations or warranties under this Agreement, (b) the gross negligence or willful misconduct on the part of any Licensee Indemnitee or (c) the Exploitation of any Licensed Compound or Licensed Product by or on behalf of Licensee, its Sublicensees or any of its or their respective Affiliates; provided that, with respect to any Third Party Claim for which Licensee has an obligation to any Sanofi Indemnitee pursuant to this Section 11.1 and Sanofi has an obligation to any Licensee Indemnitee pursuant to Section 11.2, each Party shall indemnify each of the Sanofi Indemnitees or the Licensee Indemnitees, as applicable, for its Losses to the extent of its responsibility, relative to the other Party.

11.2 Indemnification of Licensee. Sanofi shall indemnify Licensee, its Affiliates and its and their respective directors, officers, employees and agents (collectively, "**Licensee Indemnitees**"), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims arising from or occurring as a result of: (a) the breach by Sanofi of this Agreement or any representations or warranties under this Agreement, or (b) the gross negligence or willful misconduct on the part of any Sanofi Indemnitee; provided that, with respect to any Third Party Claim for which Sanofi has an obligation to any Licensee Indemnitee pursuant to this Section 11.2 and Licensee has an obligation to any Sanofi Indemnitee pursuant to Section 11.1, each Party shall indemnify each of the Sanofi Indemnitees or the Licensee Indemnitees, as applicable, for its Losses to the extent of its responsibility, relative to the other Party.

11.3 Notice of Claim. All indemnification claims in respect of a Sanofi Indemnitee or a Licensee Indemnitee shall be made solely by Sanofi or Licensee, as applicable (each of Sanofi or Licensee in such capacity, the "**Indemnified Party**"). The Indemnified Party shall give the Indemnifying Party prompt written notice (an "**Indemnification Claim Notice**") of any Losses or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under Section 11.1 or Section 11.2, but in no event shall the Indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnified Party shall furnish promptly to the Indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

11.4 Control of Defense.

11.4.1 Control of Defense. At its option, the Indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within [*] after the Indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the Indemnifying Party shall not be construed as an acknowledgment that the Indemnifying Party is liable to indemnify any Sanofi Indemnitee or Licensee Indemnitee, as applicable, in respect of the Third Party Claim, nor shall it constitute a waiver by the Indemnifying Party of any defenses it may assert against a Sanofi Indemnitee's or a Licensee Indemnitee's, as applicable, claim for indemnification. Upon assuming the defense of a Third Party Claim, the Indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnifying

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Party. In the event the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the Indemnifying Party all original notices and documents (including court papers) received by any Sanofi Indemnitee or Licensee Indemnitee, as applicable, in connection with the Third Party Claim. If the Indemnifying Party assumes the defense of a Third Party Claim, except as provided in Section 11.4.2, the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party or any Sanofi Indemnitee or Licensee Indemnitee, as applicable, in connection with the analysis, defense or settlement of such Third Party Claim. In the event that it is ultimately determined that the Indemnifying Party is not obligated to indemnify, defend or hold harmless a Sanofi Indemnitee or Licensee Indemnitee, as applicable, from and against a Third Party Claim, the Indemnified Party shall reimburse the Indemnifying Party for any and all costs and expenses (including attorneys' fees and costs of suit) incurred by the Indemnifying Party in its defense of such Third Party Claim.

11.4.2 Right to Participate in Defense. Without limiting Section 11.4.1, any Indemnified Party shall be entitled to participate in, but not control, the defense of a Third Party Claim and to employ counsel of its choice for such purpose; provided that such employment shall be at the Indemnified Party's own expense unless (a) the employment thereof has been specifically authorized by the Indemnifying Party in writing, (b) the Indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 11.4.1 (in which case the Indemnified Party shall control the defense) or (c) the interests of the Indemnified Party and any Sanofi Indemnitee or Licensee Indemnitee, as applicable, on the one hand, and the Indemnifying Party, on the other hand, with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of all such Persons under Applicable Law, ethical rules or equitable principles.

11.4.3 Settlement. With respect to any Third Party Claims relating solely to the payment of money damages in connection with a Third Party Claim that shall not result in any Sanofi Indemnitee or Licensee Indemnitee, as applicable, becoming subject to injunctive or other relief or otherwise adversely affecting the business of any Sanofi Indemnitee or Licensee Indemnitee, as applicable, in any manner and as to which the Indemnifying Party shall have acknowledged in writing the obligation to indemnify such Sanofi Indemnitee or Licensee Indemnitee, as applicable, hereunder, the Indemnifying Party shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Third Party Claim, on such terms as the Indemnifying Party, in its sole discretion, shall deem appropriate. With respect to all other Third Party Claims, where the Indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 11.4.1, the Indemnifying Party shall have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Third Party Claim, provided that it obtains the prior written consent of the Indemnified Party (such consent not to be unreasonably conditioned, withheld or delayed). The Indemnifying Party shall not be liable for any settlement or other disposition of a Third Party Claim by a Sanofi Indemnitee or a Licensee Indemnitee that is reached without the prior written consent of the Indemnifying Party. Regardless of whether the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall not, and the Indemnified Party shall ensure that each Sanofi Indemnitee or Licensee Indemnitee, as applicable, does not, admit any liability with respect to or settle, compromise or discharge, any Third Party Claim without the prior written consent of the Indemnifying Party, such consent not to be unreasonably conditioned, withheld or delayed.

11.4.4 Cooperation. Regardless of whether the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall, and shall cause each Sanofi Indemnitee or Licensee Indemnitee, as applicable, to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party and any Sanofi Indemnitee or Licensee Indemnitee, as applicable, of, records and information that are reasonably relevant to such Third Party Claim, and making all Sanofi Indemnitees or Licensee Indemnitees, as applicable, and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder; provided that neither Party shall be required to disclose legally privileged information unless and until procedures reasonably acceptable to such Party are in place to protect such privilege, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable costs and expenses in connection therewith.

11.4.5 Expenses. Except as provided above, the costs and expenses, including fees and disbursements of counsel, incurred by the Indemnified Party in connection with any Third Party Claim shall be reimbursed on a Calendar Quarter basis by the Indemnifying Party, without prejudice to the Indemnifying Party's right to contest any Sanofi Indemnitee's or Licensee Indemnitee's, as applicable, right to indemnification and subject to refund in the event the Indemnifying Party is ultimately held not to be obligated to indemnify a Sanofi Indemnitee or Licensee Indemnitee, as applicable.

11.5 Limitation on Damages and Liability. EXCEPT WITH RESPECT TO THIRD PARTY CLAIMS UNDER SECTION 11.1 OR SECTION 11.2, OR WITH RESPECT TO A BREACH OF ARTICLE 9, NEITHER PARTY NOR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOST PROFITS, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, ARISING OUT OF (a) THE DEVELOPMENT, MANUFACTURE, USE OR SALE OF THE LICENSED PRODUCTS UNDER THIS AGREEMENT, (b) THE USE OF OR REFERENCE TO THE LICENSED PATENTS, LICENSED KNOW-HOW OR REGULATORY DOCUMENTATION OR (c) ANY BREACH OF OR FAILURE TO PERFORM ANY OF THE PROVISIONS OF THIS AGREEMENT.

11.6 Insurance. Each Party shall procure and maintain insurance, including product liability insurance, with respect to its activities hereunder and which is consistent with normal business practices of prudent companies similarly situated at all times during which any Product is being clinically tested in human subjects or commercially distributed or sold. Each Party shall provide the other Party with evidence of such insurance upon request and shall provide the other Party with written notice at least [*] prior to the cancellation, non-renewal or material changes in such insurance. It is understood that such insurance shall not be construed to create a limit of either Party's liability with respect to its indemnification obligations under this Article 11.

ARTICLE 12
TERM AND TERMINATION

12.1 Term. This Agreement shall commence on the Effective Date and shall, unless earlier terminated in accordance with this Article 12, continue (a) with respect to each Licensed Product in each country in the Territory, until the expiration of the Royalty Term for such Licensed Product in such country and (b) with respect to this Agreement in its entirety, until the expiration of the Royalty Term for the last Licensed Product for which there has been a First Commercial Sale in the Territory (such period, the "**Term**"). After the expiration of the Term for a particular Licensed Product in a particular country, the license granted to Licensee under this Agreement for such Licensed Product in such country shall become perpetual, irrevocable, fully paid and royalty-free.

12.2 Termination of this Agreement for Material Breach. In the event that either Party materially breaches this Agreement (such Party, the "**Breaching Party**"), in addition to any other right and remedy the other Party (the "**Complaining Party**") may have, the Complaining Party may terminate this Agreement, in its entirety upon [*] prior written notice (the "**Termination Notice Period**") to the Breaching Party, specifying the material breach and its claim of right to terminate, provided that the termination shall not become effective at the end of the Termination Notice Period if the Breaching Party cures the material breach complained of during the Termination Notice Period, except in the case of a payment breach, as to which the Breaching Party shall have only a [*] cure period. In the event the Party receiving such notification of termination in good faith disputes such alleged breach, such termination shall not become effective unless and until such dispute is resolved in favor of the Party providing such notification of termination. For clarity, the Parties regard the Territory under this Agreement to include the following regions: [*] (each, a "**Region**"). To the extent a Party's material breach under this Agreement (such as, in the case of Licensee, the material breach of its diligence obligations) pertains only to one (1) or more of the Regions, then the other Party's right to terminate this Agreement under this Section 12.2 shall only apply to such affected Region(s).

12.3 Termination by Sanofi. In the event that Licensee, its Sublicensees or any of its or their respective Affiliates anywhere in the Territory, institutes, prosecutes or otherwise participates in (or in any way aids any Third Party in instituting, prosecuting or participating in), at law or in equity or before any administrative or regulatory body, including the U.S. Patent and Trademark Office or its foreign counterparts, any claim, demand, action or cause of action for declaratory relief, damages or any other remedy or for an enjoinment, injunction or any other equitable remedy, including any interference, re-examination, opposition or any similar proceeding (collectively, "**Action**"), alleging that any claim in a Licensed Patent is invalid, unenforceable or otherwise not patentable or would not be infringed by Licensee's activities contemplated by this Agreement absent the rights and licenses granted hereunder (except as a defense to any claim made by or on behalf of Sanofi for infringement, either in response to a suit instituted by Sanofi or in a declaratory judgment action), Sanofi may terminate this Agreement, including the rights of any Sublicensees, immediately upon [*]-day written notice to Licensee provided that such termination shall not become effective if Licensee withdraws such Action within such [*]-day period.

12.4 Termination by Licensee. Licensee shall at any time have the right to terminate this Agreement for any reason or no reason at all by providing Sanofi with [*] day written notice.

12.5 Termination for Bankruptcy or Insolvency. Sanofi may terminate this Agreement upon written notice to Licensee, if, at any time, Licensee(a) files in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or of its assets, (b) is served with an involuntary petition against it, filed in any insolvency proceeding that is not dismissed within [*] after the filing thereof, or (c) makes an assignment of the assets associated with this Agreement for the benefit of its creditors.

12.6 Consequences of Termination. In the event of a termination of this Agreement, in whole or in part:

12.6.1 all rights and licenses granted by Sanofi hereunder shall immediately terminate;

12.6.2 Licensee hereby grants Sanofi and its Affiliates, effective as of the date of termination and subject to the terms and conditions set forth below, an exclusive, license, with the right to grant sublicenses (through multiple tiers), under the Licensee Know-How and the Licensee Patents, any other intellectual property rights Controlled by Licensee with respect to Licensed Product as of the effective date of such termination, including without limitation any trademarks used therefor, to Exploit Licensed Product in the Field in the Territory, or as the case may be, in the terminated Region.

12.6.3 to the extent requested in writing by Sanofi, Licensee shall promptly, at no additional cost to Sanofi:

(a) where permitted by Applicable Law, assign to Sanofi all of its right, title and interest in and to, and transfer possession to Sanofi of, all Regulatory Documentation (including, for clarity, Regulatory Approvals) then in its name applicable to Licensed Product in the Territory or terminated Region, as applicable;

(b) notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (a) above;

(c) and hereby does effective as of the effective date of termination, grant Sanofi an exclusive license and right of reference, with the right to grant sublicenses and further rights of reference (through multiple tiers), under all Regulatory Documentation (including any Regulatory Approvals) then owned or Controlled by Licensee then in its name that are not assigned to Sanofi pursuant to clause (a) above that are necessary or useful for Sanofi or any of its Affiliates to Exploit Licensed Compound or Licensed Product in the Field in the Territory or Terminated Region and any improvement to any of the foregoing, as such

Regulatory Documentation exists as of the effective date of such termination of this Agreement and Licensee shall continue to maintain such Regulatory Documentation (including any Regulatory Approvals) unless and until Sanofi notifies Licensee that such maintenance is no longer required;

(d) unless expressly prohibited by any Regulatory Authority in the Territory or terminated Region, as applicable, transfer control to Sanofi of all Clinical Studies of Licensed Product being conducted as of the effective date of termination and continue to conduct such Clinical Studies, [*], for up to [*] to enable such transfer to be completed without interruption of any such Clinical Study; provided that (i) Sanofi shall not have any obligation to continue any Clinical Study unless required by Applicable Law and (ii) with respect to each Clinical Study (A) for which such transfer is expressly prohibited by the applicable Regulatory Authority or (B) that is required for Regulatory Approval that Sanofi does not request that Licensee transfer control of such Clinical Study to Sanofi, if any, Licensee shall continue to conduct such Clinical Study to completion, [*];

(e) provide Sanofi with copies of all reports and data generated or obtained by Licensee or any of its Affiliates that relate to Licensed Product that have not previously been provided to Sanofi;

12.6.4 Without limiting Sanofi's rights under other provisions of this Article 12, in the event of any termination pursuant to this Article 12 up until the effective date of such termination, Licensee shall, at the request and expense of Sanofi, provide Sanofi with such assistance as is reasonably necessary to effectuate a smooth and orderly transition of any Development, Manufacture and Commercialization activities with respect to Licensed Product in the Territory or terminated Region, as applicable, to Sanofi or its designee so as to minimize any disruption of such activities. Further, upon Sanofi's request and expense, Licensee shall provide such technical assistance, as may reasonably be requested to transfer all Manufacturing technology that is or had been used by or on behalf of Licensee and its Affiliates in connection with the Manufacture of Licensed Compound or Licensed Product.

12.7 Accrued Rights; Surviving Obligations.

12.7.1 Accrued Rights. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

12.7.2 Survival. Without limiting the foregoing, Sections [*] shall survive the termination or expiration of this Agreement for any reason.

ARTICLE 13
MISCELLANEOUS

13.1 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement (other than an obligation to make

payments) when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, embargoes, shortages, epidemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any governmental authority (each, a "**Force Majeure Event**"). The non-performing Party shall notify the other Party of a Force Majeure Event [*] after the occurrence of such Force Majeure Event by giving written notice to the other Party stating the nature of such Force Majeure Event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

13.2 Export Control. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on or related to the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with Applicable Law.

13.3 Assignment. Without the prior written consent of the other Party, neither Party shall sell, transfer, assign, delegate, pledge or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; provided that (a) Sanofi may, without such consent, assign this Agreement and its rights and obligations hereunder to an Affiliate, to the purchaser of the Licensed Patents or Licensed Know-How or to its successor entity or acquirer in the event of a merger, consolidation or change in control of Sanofi and (b) Licensee may, without such consent, assign this Agreement and its rights and obligations hereunder to an Affiliate or to a successor-in-interest in connection with the sale of all or substantially all of its stock or assets to which this Agreement pertains; provided, further, that in either case ((a) or (b)), with respect to an assignment to an Affiliate, such assigning Party shall remain responsible for the performance by such Affiliate of the rights and obligations hereunder. Any attempted assignment or delegation in violation of the preceding sentence shall be void and of no effect. All validly assigned and delegated rights and obligations of the Parties hereunder shall be binding upon and inure to the benefit of and be enforceable by and against the successors and permitted assigns of Sanofi or Licensee, as the case may be. In the event either Party seeks and obtains the other Party's consent to assign or delegate its rights or obligations to another Party, the assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement.

13.4 Severability. To the fullest extent permitted by Applicable Law, the Parties waive any provision of law that would render any provision in this Agreement invalid, illegal, or unenforceable in any respect. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, in any respect, then such provision will be given no effect by the Parties and shall not form part of this Agreement. To the fullest extent permitted by Applicable Law and if the rights or obligations of either Party will not be materially and adversely affected,

all other provisions of this Agreement shall remain in full force and effect, and the Parties shall use their best efforts to negotiate a provision in replacement of the provision held invalid, illegal, or unenforceable that is consistent with Applicable Law and achieves, as nearly as possible, the original intention of the Parties.

13.5 Dispute Resolution. If a dispute arises between the Parties in connection with the interpretation, validity or performance of this Agreement or any document or instrument delivered in connection herewith (a "**Dispute**"), then either Party shall have the right to refer such dispute to its executive officers for attempted resolution by good faith negotiations during a period of [*]. Any final decision mutually agreed to by the executive officers shall be conclusive and binding on the Parties. If such executive officers are unable to resolve such Dispute within such [*] period, either Party shall be free to institute litigation in accordance with Section 13.6 and seek such remedies as may be available. Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation in accordance with Section 13.6 immediately if litigation is necessary to prevent irreparable harm to that Party.

13.6 Governing Law, Jurisdiction, Venue and Service.

13.6.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of [*], excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. [*].

13.6.2 Jurisdiction. Subject to Section 13.6 and Section 13.11, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of [*] for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. [*].

13.6.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of [*], and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

13.6.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 13.7.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

13.7 Notices.

13.7.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties

at their respective addresses specified in Section 13.7.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 13.7. Such notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the third Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section 13.7 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

13.7.2 Address for Notice.

If to Licensee, to:
Zai Lab Limited
1000 Zhangheng Road, Building 65
Zhangjiang Hi-tech Park, Pudong New Area
Shanghai, China

Attention: [*]
Facsimile: [*]

with a copy to (which shall not constitute notice):

Cooley LLP
3175 Hanover Street
Palo Alto, CA 94303
United States of America
Attention: [*]
Facsimile: [*]

If to Sanofi, to:
Sanofi
54 rue La Boétie
75008 Paris, France

Attention: [*]
Facsimile: [*]

with a copy to (which shall not constitute notice):

Sanofi
54 rue La Boétie
75008 Paris, France

Attention: [*]
Facsimile: [*]

13.8 Entire Agreement; Amendments. This Agreement, together with the Exhibits attached hereto, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises and representations, whether written or oral, with respect thereto are superseded hereby, including that certain confidential disclosure agreement between Sanofi and Licensee dated [*]. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth herein. No amendment, modification, release or discharge shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

13.9 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

13.10 Equitable Relief. The Parties acknowledge and agree that the restrictions set forth in Article 9 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions, and that any breach or threatened breach of any provision of Article 9 may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of Article 9, the non-breaching Party shall be authorized and entitled to obtain from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other Party (a) post a bond or other security as a condition for obtaining any such relief and (b) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 13.10 is intended, or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

13.11 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by the other Party whether of a similar nature or otherwise.

13.12 No Benefit to Third Parties. The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

13.13 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

13.14 Relationship of the Parties. It is expressly agreed that Sanofi, on the one hand, and Licensee, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Sanofi, on the one hand, nor Licensee, on the other hand, shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so, such consent not to be unreasonably conditioned, withheld or delayed. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

13.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile, PDF or other electronic signatures and such signatures shall be deemed to bind each Party as if they were original signatures.

13.16 References. Unless otherwise specified, (a) references in this Agreement to any Article, Section or Exhibit means references to such Article, Section or Exhibit of this Agreement, (b) references in any section to any clause are references to such clause of such section and (c) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently varied, replaced or supplemented from time to time, as so varied, replaced or supplemented and in effect at the relevant time of reference thereto.

13.17 Construction. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein means including, without limiting the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

{SIGNATURE PAGE FOLLOWS.}

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the date first written above.

Sanofi

By: /s/ Constantine CHINOPOROS
Name: Constantine CHINOPOROS
Title: Vice-President, Global Business Development

Zai Lab (Hong Kong) Limited

By: /s/ Samantha Du
Name: Samantha Du
Title: Chairman and CEO

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

EXHIBIT A – LICENSED KNOW-HOW

[*] (5 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

EXHIBIT B – LICENSED PATENTS

[*] (8 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

EXHIBIT C – MATERIAL SPECIFICATIONS

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

EXHIBIT D – DEVELOPMENT PLAN

[*] (4 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

EXHIBIT E – Structure of ALK inhibitor [*]

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.9

License Agreement

by and between

UCB BIOPHARMA SPRL

and

ZAI LAB (HONG KONG) LIMITED

September 17, 2015

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[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

List of Exhibits

Exhibit A	Development Plan
Exhibit B	Structure of UCB3000
Exhibit C	Technology Transfer
Exhibit D	UCB Compound Patents
Exhibit E	UCB Format Patents
Exhibit F	ZAI Background Patents
Exhibit G	Sample Royalty Calculation
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[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

License Agreement

This License Agreement (this "Agreement"), dated as of September 17, 2015 (the "Effective Date"), is made by and between UCB Biopharma Sprl, a Belgian limited liability company ("UCB") and Zai Lab (Hong Kong) Limited, a corporation organized and existing under the laws of Hong Kong ("ZAI"). UCB and ZAI are each referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, UCB owns certain intellectual property rights and know-how with respect to a proprietary compound known as "UCB3000";

WHEREAS, ZAI is a company focused on the development of innovative drug candidates and is desirous of obtaining from UCB certain license rights to develop and commercialize the UCB3000 compound into commercial products; and

WHEREAS, ZAI is willing to develop, manufacture and commercialize product(s) containing UCB3000 and funding all costs associated with all such activities.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions.

The following capitalized terms as used in this Agreement, whether in the singular or plural, will have their respective meanings as set forth below:

1.1 "Affiliate" means with respect to a Party any entity which (directly or indirectly) is controlled by, controls, or is under common control with, such Party. For the purposes of this definition, the terms "control" and "controlled" mean the direct or indirect ownership of more than fifty percent (50%) of the outstanding voting securities of an entity, or such other relationship as results in actual control over the management, assets, business and affairs of such entity.

1.2 "BLA" means a Biologics License Application filed with the FDA (including amendments and supplements thereto) to obtain Regulatory Approval in the U.S., or any corresponding applications or submissions filed with the relevant Regulatory Authorities to obtain Regulatory Approvals in any other country or region in the Territory.

1.3 "Commercialize" or "Commercialization" means any and all activities related to the import, export, marketing, detailing, promotion, distribution and/or sale of a pharmaceutical product in a country or region in the Territory pursuant to and accordance with the Marketing Authorizations for such product in such country or region.

1.4 "Commercially Reasonable Efforts" means that the level of efforts to be expended by a Party under this Agreement with respect to the research, discovery, Development, Manufacture and/or Commercialization of Licensed Compounds and Licensed Products will be consistent with the level of reasonable, diligent, good faith efforts and resources that would normally be used by such Party (whether acting alone or through its Affiliates) for a pharmaceutical product of similar commercial potential at a similar stage in its lifecycle, and taking into account issues of safety and efficacy, product profile, market and profit potential, the patent and other proprietary position of the product, the then current competitive environment for such product, the likely timing of such product's entry into the market, the regulatory environment, and other relevant scientific, technical and commercial factors. Commercially Reasonable Efforts shall be determined on a market-by-market and indication-by-indication basis for a particular Licensed Product, and it is acknowledged and understood that the level of efforts will be different for different markets and will change over time.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

1.5 "Confidential Information" means any and all proprietary and/or confidential data, information or Know-How, of whatever kind and in whatever form or medium, that is disclosed by or on behalf of a Party to the other Party during the Term and in connection with this Agreement, including, without limitation, the UCB Know-How, ZAI Background Know-How, and Development Know-How. For clarity, all Development Know-How and ZAI Background Know-How will be considered Confidential Information of ZAI, all UCB Know-How will be considered Confidential Information of UCB, but during the Term of this Agreement, all UCB Compound Know-How will be considered Confidential Information of both Parties.

1.6 "Control" or "Controlled" means, with respect to any Know-How, Materials, Patent Rights, or other intellectual property, the possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by a Party of the ability to grant (and/or to ensure that its Affiliates grant) to the other Party the licenses, sublicenses, and/or rights to access and use, such Know-How, Materials, Patent Rights, or other intellectual property, as provided for herein without violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party or its Affiliates would be required hereunder to grant such license, sublicense, and/or rights of access and use.

1.7 "Covers" means, with reference to Patent Rights, that the performance of one or more activities related to the Development, Manufacture or Commercialization of a Licensed Compound or Licensed Product (or the use of any Materials in connection therewith) would infringe at least one claim of such Patent Right in the country(ies) in which such activities occur.

1.8 "Develop" or "Development" means to engage in research and development activities intended to research, discover or develop Licensed Compounds and/or to support INDs, BLAs or other Regulatory Approvals for Licensed Products, including, without limitation, (i) development of the applicable active drug substance(s), (ii) toxicology, pre-clinical and clinical drug development activities, (iii) clinical trials (except for Phase IV Studies), (iv) assay/test method development, validation and stability testing, (v) formulation development, (vi) manufacture of pre-clinical, clinical and commercial supplies, and manufacturing process development, scale-up and validation, (vii) quality assurance/quality control, statistical analysis, and regulatory affairs (including without limitation the preparation, submission and maintenance of all INDs and BLAs for the Licensed Products), and (viii) to have any of the activities described in (i)-(vii) performed.

1.9 "Development Costs" means any and all internal and out-of-pocket costs and expenses incurred by or on behalf of ZAI, its Affiliates and/or Sublicensees in connection with the Development of the Licensed Products in the Territory pursuant to this Agreement. For clarity, Development Costs shall include, without limitation, the costs of manufacturing, any pre-clinical studies, Phase I Studies, Phase II Studies, Phase III Studies, Phase IV Studies, and any post-approval studies that are required by Regulatory Authorities as a condition to receiving Regulatory Approval for the Licensed Product.

1.10 "Development Forum" means the joint development forum to be established by the Parties pursuant to Section 4.2.

1.11 "Development IP" means Development Know-How and Development Patents.

1.12 "Development Program" means the program of Development activities to be undertaken by and on behalf of ZAI, its Affiliates and/or Sublicensees to obtain and maintain Regulatory Approvals for one or more Licensed Products in the Territory, all as more fully described on the development plan attached hereto as Exhibit A as amended by the JSC pursuant to Section 3.2(c)(ii) (the "Development Plan"). For clarity, all Development activities related to Licensed Compounds and Licensed Products undertaken by or on behalf of ZAI or any of its Affiliates or Sublicensees will be considered as part of a Development Program.

1.13 "Development Know-How" means any and all Know-How generated as a result of activities performed pursuant to the Development Program.

1.14 "Development Patents" means any and all Patent Rights filed by or on behalf of ZAI to Cover any Development Know-How.

1.15 "EMA" means the European Medicines Agency and any successor agency thereto.

1.16 "EU" means the organization of member states of the European Union, including as it may be constituted from time to time.

1.17 "[*]" means a [*] comprising [*] or [*], said [*] which has [*].

1.18 "FDA" means the United States Food and Drug Administration and any successor agency thereto.

1.19 "Field" means the treatment, prevention and diagnosis of any and all diseases in humans.

1.20 "First Commercial Sale" means the first sale for use or consumption of any Licensed Product in a country or region in the Territory after a Regulatory Approval, Marketing Authorization and/or Expanded Access/Compassionate Use authorization (as defined by 21 C.F.R. part 312 subpart 1 or any analogous laws or regulations in other countries in the Territory) for the Licensed Product has been obtained in such country or region.

1.21 "Generic Product" means, with respect to a particular Licensed Product being Commercialized in a country or region in the Territory, a pharmaceutical product that (i) contains the same active ingredient(s), or is biosimilar or highly similar to or interchangeable with the Licensed Product, as determined by the relevant Regulatory Authority; and (ii) is being sold in such country or region by a Third Party; provided that such product is not being sold pursuant to a license or sublicense granted by ZAI or any of its Affiliates for such country or region, and/or was not manufactured and supplied to such Third Party by or on behalf of ZAI or its Affiliates for resale in such country or region.

1.22 "IND" means an Investigational New Drug application, Clinical Study Application, Clinical Trial Exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirements of such Regulatory Authority.

1.23 "JSC" means the Joint Steering Committee established by the Parties pursuant to Section 3.2(a).

1.24 "Know-How" means any and all proprietary commercial, technical, scientific and other data, information, trade secrets, knowledge, technology, methods, processes, formulae, instructions, techniques, designs, drawings and specifications (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols) that is related to Licensed Compounds, Materials, Licensed Products, [*] and/or the manufacture or use thereof.

1.25 "Lead Party" means the Party having primary responsibility for the Prosecution of a particular Patent Right pursuant to this Agreement.

1.26 "Licensed Compound" means UCB3000, UCB's proprietary antibody against OX40 and having the structure set forth in Exhibit B, and any fragment, conjugate, derivatives or modifications thereof that can compete with UCB3000 for binding to OX40.

1.27 "Licensed Product" means any pharmaceutical composition or preparation containing, as an active pharmaceutical ingredient, a Licensed Compound. For clarity purposes, multiple formulations that contain the same Licensed Compound will be deemed one single Licensed Product.

1.28 "Made" means, with respect to a specific invention, the conception and reduction to practice (whether constructive or otherwise).

1.29 "Major EU Countries" means France, Germany, Italy, Spain and the United Kingdom.

1.30 "Manufacture" or "Manufacturing" means any and all activities related to the manufacture, formulation and packaging of Licensed Compounds and/or Licensed Products, including, without limitation, related quality control and quality assurance activities. For clarity, the Manufacture of pre-clinical, clinical and commercial supplies and Manufacturing activities related to process development and scale up work will also be considered part of Manufacturing.

1.31 "Marketing Authorization" means, with respect to a country or region in the Territory, all Regulatory Approvals and Pricing Approvals necessary to import, distribute, market and sell a pharmaceutical product in such country or region.

1.32 "Materials" means any tangible chemical or biological research materials that are provided or otherwise made available by one Party to the other Party for use in performance of the Development Program (including, without limitation, samples of DNA, RNA, clones, cells, proteins, tissue samples, animals, together with any components, derivatives or progeny thereof); provided, however, that Materials shall not include any Licensed Compounds or Licensed Products

1.33 "Net Sales" means, with respect to any Licensed Product, all amounts invoiced or otherwise charged for the sale, transfer or other disposition of such Licensed Product by a Party, its Affiliates, or any permitted Sublicensee, less, to the extent actually incurred and attributable to such revenues, the following deductions with respect to such sales to the extent that such amounts are either included in the billing as a line item as part of the gross amount invoiced, or otherwise documented in accordance with IFRS to be specifically attributable to actual sales of such Licensed Product:

(a) discounts (including, without limitation, cash discounts, quantity discounts and patient discount program discounts), retroactive price reductions, charge-back payments and rebates granted to managed health care organizations or to federal, state and local governments, their agencies, and purchasers and reimbursers or to trade customers (a "**Discount**") whether in cash or trade; provided, however, that where any such Discount is based on sales of a bundled set of products in which such Licensed Product is included, the Discount shall be allocated to such Licensed Product on a pro rata basis based on the [*] (*i.e.*, [*]) of the Licensed Product relative to the [*] contributed by the other constituent products in the bundled set, with respect to such sale;

(b) credits or allowances actually granted upon claims, damaged goods, rejections or returns of such Licensed Product, including such Licensed Product returned in connection with recalls or withdrawals;

(c) freight out, postage, shipping and insurance charges for delivery of such Licensed Product to the extent included in the gross invoice amount; and

(d) taxes or duties levied on, absorbed or otherwise imposed on the sale of such Licensed Product, including, without limitation, value-added taxes, or other governmental charges otherwise imposed upon the billed amount, as adjusted for available rebates, credits and refunds, to the extent included in the gross invoiced amount and not paid directly by the Third Party, but not including taxes when assessed on income derived from such sales.

Net Sales shall not include any payments among a Party, its Affiliates and permitted sublicensees for Licensed Products that are to be resold by them (so long as such resale is included in Net Sales hereunder). If any Licensed Product is sold, transferred or otherwise disposed of for value in an arrangement that is not an arm's-length market transaction with respect to such Licensed Product including, without limitation, where Licensed Products are sold at a discount in exchange for other benefits not captured in the invoiced amounts (whether due to premium pricing on other products sold by a Party, the receipt of bartered goods, a price markdown to distributors or contract sellers to reimburse them or account for marketing, promotion and/or sales costs incurred by such distributors or contract sellers, or other arrangements for additional consideration), and the price of the Licensed Product to be used to calculate Net Sales is less than the price in an average arm's-length market transaction, then "Net Sales" with respect to such transaction shall be based upon the fair market price, as of the date of such sale, transfer or other disposition in an average arm's-length market transaction in such country.

Where a Licensed Product is a Combination Product, or where a Licensed Product is sold together with other pharmaceutical products for a single price, whether sold together in the same package, or merely price bundled (a "**Bundled Product**"), then for the purposes of calculating the Net Sales payable under this Agreement such Licensed Product shall be deemed sold for an amount equal to the following:

(X divided by Y) multiplied by Z

where X is the average sales price during the applicable reporting period generally achieved for such Product in the country in which such sale or other disposal occurred when (as applicable) (a) such Licensed Product contains only a Licensed Compound and no other active compound, or (b) the Licensed Product is sold alone and not as part of a Bundled Product;

Y is the sum of the average sales price during the applicable reporting period generally achieved in that country (as applicable) (a) of each active compound included in the Combination Product when such compound is sold as a separate product and not as part of a Combination Product; or (b) of each product included in the Bundled Product when such product is sold separately for a single price; and

Z equals the single price at which the Combination Product or Bundled Product (as appropriate) represented in Y was actually sold.

1.34 "Patent Rights" means any and all patents and patent applications in the Territory (which for purposes of this Agreement shall include certificates of invention and applications for such certificates), including, without limitation, any divisionals, continuations, continuations-in-part, substitutions, reissues, re-examinations, revalidations, extensions (including, without limitation, U.S. pediatric exclusivity patent extensions), registrations, supplementary protection certificates and renewals of any such patents or patent applications, together with foreign equivalents of any of the foregoing, that Cover any Licensed Compounds, Materials or Licensed Products, and/or the manufacture, formulation or use thereof.

1.35 "Patent Costs" means the documented out-of-pocket costs and expenses incurred for the Prosecution of Patent Rights in the Territory, including without limitation, the reasonable costs of outside patent counsel or agents.

1.36 "Phase I Study" means a human clinical trial in any country that would satisfy the requirements of 21 C.F.R. 312.21(a) (as amended) (whether or not such trial is for the FDA), but which is not a Phase II Study, Phase III Study or Phase IV Study.

1.37 "Phase II Study" means a human clinical trial in any country that would satisfy the requirements of 21 C.F.R. 312.21(b) (as amended) (whether or not such trial is for the FDA), but which is not a Phase III Study or Phase IV Study.

1.38 "Phase III Study" means a large scale human clinical trial in any country that would satisfy the requirements of 21 C.F.R. 312.21(c) (as amended) (whether or not such trial is for the FDA), but which is not a Phase IV Study.

1.39 "Phase IV Study" means a clinical study or data collection effort for a Licensed Product that is initiated in one or more countries after the receipt of Regulatory Approval in such country(ies) and is principally intended to support the Commercialization of such Licensed Product in such country/countries and not to support or maintain the same or any additional Regulatory Approvals or otherwise obtain any labeling change. Phase IV Studies shall include, without limitation, clinical experience trials, but shall exclude post-approval studies that are required by a Regulatory Authority as a condition to receiving Regulatory Approval.

1.40 "Pricing Approvals" means in those countries in the Territory where Regulatory Authorities approve or determine pricing or pricing reimbursement for pharmaceutical products, such approval or determination.

1.41 "Prosecute" or "Prosecution" means in relation to any Patent Rights, (a) to prepare and file patent applications, including, without limitation, re-examinations or re-issues thereof, and represent applicant(s) or assignee(s) before relevant patent offices or other relevant governmental authorities during examination, re-examination and re-issue thereof, in appeal processes and interferences, or any equivalent proceedings, (b) to defend all such applications against Third Party oppositions, (c) to secure the grant of any Patent Rights arising from such patent application, (d) to maintain in force any issued Patent Right (including, without limitation, through payment of any relevant maintenance fees), and (e) to make all decisions with regard to any of the foregoing activities.

1.42 "Regulatory Approval" means, with respect to a country or region in the Territory, any and all approvals, licenses, registrations or authorizations from the relevant Regulatory Authority necessary in order to import, distribute, market and sell a pharmaceutical product in such country or region, but not including Pricing Approvals.

1.43 "Regulatory Authority" means the FDA, the EMA, and any other analogous government regulatory authority or agency involved in granting approvals (including any required pricing and/or reimbursement approvals) for the Manufacture and/or Commercialization of pharmaceutical products in the Territory.

1.44 "Regulatory Exclusivity Period" means any period of data, market or other regulatory exclusivity (as distinct from and excluding any exclusivity arising under Patent Rights) for a Licensed Product in a country or region in the Territory under applicable laws, rules and regulations in such country or region which prevents any unlicensed Third Party from marketing, promoting or selling a Generic Product in such country or region, including, without limitation, any such exclusivity provided in countries in the EU under national laws and regulations implementation Section 10.1(a)(iii) of Directive 2001/EC/83 or any analogous laws or regulations in other countries in the Territory.

1.45 "Sublicensee" means a Third Party that is granted a sublicense to Develop, Manufacture and Commercialize the Licensed Compound and/or Licensed Product in one or more countries in the Territory as permitted under Section 2.1(b).

1.46 "Technology Transfer" means delivery by UCB to ZAI of all UCB documentation and technical knowledge specific or otherwise necessary or reasonably useful to the Licensed Compound, including [*]. For purposes of this Agreement, [*] the delivery requirement set forth in the immediately preceding sentence and, [*]. Technology Transfer shall also include the transfer of an initial supply of the Licensed Compound in UCB's possession as of the Effective Date.

1.47 "Technology Transfer Date" means [*] after execution of the Agreement.

1.48 "Territory" means worldwide.

1.49 "Third Party" means any person or entity other than UCB, ZAI and their respective Affiliates.

1.50 "UCB Compound Know-How" means any Know-How that is Controlled by UCB or any of its Affiliates as of the Effective Date related to the Research, Development and/or Commercialization of the Licensed Compound. The UCB Compound Know-How specifically excludes any and all proprietary know-how pertaining to [*] (and [*] and/or [*]).

1.51 "UCB Compound IP" means the UCB Compound Know-How and UCB Compound Patents.

1.52 "UCB Compound Patents" means those Patent Rights listed on Exhibit D (for clarity, including any divisionals, continuations, continuations-in-part, substitutions, reissues, re-examinations, revalidations, extensions (including, without limitation, U.S. pediatric exclusivity patent extensions), registrations, supplementary protection certificates and renewals of such Patent Rights, together with foreign equivalents of any of the foregoing).

1.53 "UCB Format Know-How" means any proprietary Know-How that is Controlled by UCB or any of its Affiliates as of the Effective Date pertaining to the [*].

1.54 "UCB Format IP" means the UCB Format Know-How and UCB Format Patents.

1.55 "UCB Format Patents" means those Patent Rights listed on Exhibit E (for clarity, including any divisionals, continuations, continuations-in-part, substitutions, reissues, re-examinations, revalidations, extensions (including, without limitation, U.S. pediatric exclusivity patent extensions), registrations, supplementary protection certificates and renewals of such Patent Rights, together with foreign equivalents of any of the foregoing).

1.56 "UCB IP" means the UCB Compound IP and UCB Format IP.

1.57 "UCB Know-How" means the UCB Compound Know-How and UCB Format Know-How.

1.58 "UCB Patents" means the UCB Compound Patents and UCB Format Patents.

1.59 "United States" or "U.S." means the United States of America, including its territories and possessions, and the District of Columbia.

1.60 "United States dollars" "U.S. dollars" "USD" or "$" shall all mean United States dollars.

1.61 "Valid Claim" means a [*], and/or a [*] of an issued and unexpired Patent Right which has not been revoked or held invalid or unenforceable by a final decision of a court or other governmental agency of competent jurisdiction with no further possibility of appeal.

1.62 "ZAI Background Know-How" means any and all Know-How that is Controlled by ZAI or any of its Affiliates as of the Effective Date.

1.63 "ZAI Background IP" means the ZAI Background Know-How and ZAI Background Patents.

1.64 "ZAI Background Patents" means those Patent Rights in the Territory listed on Exhibit F (it being expressly understood that Exhibit E will be filled in at a later time following the Effective Date, as more fully described on Exhibit F).

1.65 "ZAI IP" means the ZAI Background IP and the Development IP.

2. License Grants.

2.1 Licenses by UCB. UCB hereby grants to ZAI (a) an exclusive (even as to UCB) license in the Territory under the UCB Compound IP to Develop, Manufacture and Commercialize Licensed Compounds and Licensed Products in the Field; and (b) a non-exclusive, non-sublicenseable, non-transferable license in the Territory under the UCB Format Know-How as it relates to the more general UCB3000 antibody format and the Manufacturing process and use thereof; and (c) a limited, exclusive, non-sublicenseable, non-transferable license under the UCB Format Patents strictly limited to the Licensed Compounds and Licensed Products (it being expressly understood, however, that UCB is not granting to ZAI exclusive rights under any UCB Format Know-How). For clarity, the foregoing license includes, without limitation, an exclusive license in the Territory under the UCB Compound Patents to make, have made, import, export, use, offer for sale and sell Licensed Products in the Field in the Territory. The exclusive licenses granted to ZAI under this Section 2.1 to the UCB Compound IP shall be sublicenseable by ZAI; provided that any such sublicense is granted in accordance with and complies with the terms of Section 2.1(b). The provisions above and elsewhere herein are intended to permit ZAI to enter into manufacturing agreements with CMO's for the Manufacture of Licensed Compounds and/or Licensed Products, provided that the provisions of any such agreements are consistent with and meet the requirements of this Agreement.

(a) *Retained Rights*. The Parties agree that UCB will retain (i) a non-exclusive, non-sublicenseable, non-transferable, fully paid-up, royalty-free license to access and use the Licensed Compound under the UCB IP in the Territory for UCB's own research purposes, provided that UCB shall not conduct any [*] or any [*] and (ii) all exclusive rights to the UCB Format IP including the rights to further license and sublicense through multiple tiers, except for Licensed Compounds and Licensed Products as mentioned above.

(b) *Sublicensing by ZAI*. To the extent that ZAI sublicenses to its Affiliates or to any Third Party all or any portion of the rights and licenses granted by UCB under this Agreement, ZAI shall remain responsible for ensuring (and liable to UCB with respect to) the performance of and compliance by such Affiliates and/or Third Parties under the terms and conditions of this Agreement. ZAI shall ensure that any such sublicense agreement is consistent with the terms and conditions of this Agreement. In addition, solely with respect to sublicenses granted by ZAI to Third Parties, the following limitations shall apply:

To the extent such sublicense conveys rights to [*], ZAI shall (1) before granting such sublicense, notify UCB in writing [*], and (2) [*] ZAI shall provide UCB with a copy of the relevant sublicense agreement, which copy may be redacted to remove information not necessary for UCB to conform its consistence with the terms of this Agreement [*].

2.2 No Implied Licenses. Nothing herein shall be construed as creating, granting or otherwise conveying to either Party any license or other right (whether by implication, estoppel or otherwise) other than those license grants and rights that are expressly provided for in this Agreement.

2.3 Non-Competition. During [*], [*] shall not, either by itself or through its Affiliate or any Third Party, develop or commercialize any compound or product [*].

3. Reporting Obligations and Governance.

3.1 Program Leads. On or as soon as practicable after the Effective Date, each of UCB and ZAI will designate one of its individual employees to serve as that Party's program lead (the "Program Lead") and primary point of contact for matters related to the coordination of activities under this Agreement. The ZAI Program Lead will also serve as chairperson of the JSC with responsibility for generating JSC meeting schedules and agendas and other administrative matters related to the conduct of JSC meetings.

3.2 Joint Steering Committee.

(a) *Membership and Participation*. On or as soon as practicable after the Effective Date, the Parties will establish a Joint Steering Committee, comprised of the two (2) Program Leads, and one (1) additional representative of ZAI (the "JSC"). Each Party may replace any of its representatives on the JSC at any time upon written notice to the other Party. A Party may invite others of its or its Affiliates' employees to attend and participate in relevant portions of meetings of the JSC as necessary to facilitate the sharing of information and discussion of any issues related to the Development Plan and/or performance of the Development Plan, including any development, regulatory or commercial matters pertaining to the Licensed Product. A Party shall notify the other Party's Program Lead in writing if it wishes to invite a Third Party consultant or contractor to attend a JSC meeting. Any such notice shall be provided at least five (5) business days prior to the relevant JSC meeting, shall identify the Third Party consultant or contractor, and shall briefly describe the reasons the requesting Party wishes to include such individual at the meeting. The attendance and participation of any such Third Party consultant or contractor shall be subject to the prior written consent of the other Party (which will not be unreasonably withheld, delayed or conditioned). Any such consent shall be conditioned upon the following: (i) the Third Party consultant or contractor is bound by written obligations of confidentiality and non-use to the requesting Party that are consistent with the provisions of this Agreement; and (ii) the Third Party consultant or contractor enters into a suitable confidentiality and non-use agreement with the consenting Party. The Parties' respective Program Leads will be responsible for ensuring compliance with the foregoing.

(b) *Meetings*. The JSC will meet during the Term at least annually, or as otherwise agreed, at such times as are agreed to by the JSC members. Such meetings may be in-person, via videoconference, or via teleconference; provided that such meetings shall be conducted in person at least once per year during the Term unless otherwise agreed to by the Parties. Meetings of the JSC will be effective only if at least one (1) representative of each Party is present or participating. Each Party will be responsible for all of its own expenses of participating in the JSC meetings. ZAI's Program Lead will be responsible for chairing JSC's meetings. The Parties may elect to maintain minutes of JSC meetings, in which case the Program Leads shall also be responsible for generating and circulating such minutes. The JSC will cease to exist and no further JSC meetings will occur following the expiration of the Term.

(c) *JSC Responsibilities*. The JSC will be responsible during the Term for monitoring, coordinating, facilitating communication of and providing a forum for review of development, regulatory and commercial matters pertaining to the Licensed Product and the performance thereof in accordance with the Development Program. Specific JSC responsibilities shall include the following:

(i) Periodic review of ZAI's efforts and progress under the Development Program;

(ii) Annual review and update of (a) any pre-clinical and clinical development and manufacturing progress of Licensed Products, (b) Net Sales of Licensed Product on a product by product and country by country basis, and (c) any information relating to ZAI's partnering or sublicensing efforts; and

(iii) Serving as a general forum for the Parties to discuss any issues arising with respect to the conduct of the Development Program or matters relating to the Licensed Product, including receiving an update on ZAI's strategic plans and progress of Development and Commercialization of Licensed Products in the Territory.

(d) *Decision-making by the JSC*. Any decisions by the JSC will be made by consensus of all JSC members in attendance at the applicable JSC meeting. If the JSC cannot reach consensus on a matter, then [*]. The Parties acknowledge and agree that the JSC will not have the power or authority to amend or modify any of the terms of this Agreement or to waive any Party's rights or obligations hereunder.

4. Development and Commercialization.

4.1 Licensed Product Development Program.

(a) *Establishment*. ZAI will be solely responsible for designing and performing all aspects of the Development Program in accordance with the Development Plan. ZAI will have sole responsibility for all Development Costs. The primary focus of the Development Program will be to Develop and obtain Regulatory Approvals for one or more Licensed Products. ZAI will have final decision-making authority with respect to the design of the Development Plan and conduct of the Development Program, including, without limitation, decisions with respect to the selection and prioritization of which Licensed Products and which indications to Develop.

4.2 Development Forum. As part of the JSC, the Parties will establish a development forum (the "Development Forum") to communicate ZAI's performance of the Development Program and to facilitate communications and the exchange of information related to the Development and Commercialization of Licensed Products in the Territory. During each such meeting ZAI will provide UCB with an update on its strategic plans and progress of Development and Commercialization of Licensed Products in the Territory. ZAI will also consider in good faith any reasonable requests by UCB for additional information related thereto.

4.3 Regulatory. ZAI will be solely responsible for and control (at its own expense) all regulatory matters related to the Development and Commercialization of Licensed Compounds and/or Licensed Products in the Territory, including, without limitation, taking full responsibility for preparing and filing the relevant applications with the Regulatory Authorities for pre-clinical and clinical studies and for Regulatory Approval.

4.4 Manufacturing. Except for the initial supply of Licensed Compound as part of the Technology Transfer by UCB, ZAI will be solely responsible for and control (at its own expense) all aspects of the Manufacturing and supply of Licensed Products (including, without limitation, the Manufacture and supply of related Licensed Compounds being Developed by ZAI) for Development and Commercialization in the Territory.

4.5 Commercialization. ZAI will be solely responsible for and control all aspects of Commercialization of Licensed Products and will have sole responsibility for all costs arising therefrom.

4.6 Diligence. During the Term of this Agreement, (a) ZAI will use, and will cause each of its Affiliates and any Sublicensees to use, Commercially Reasonable Efforts to Develop, Manufacture, seek Regulatory Approval or Marketing Authorization for, and following Regulatory Approval or Marketing Authorization to Commercialize at least one (1) Licensed Product in the U.S. and E.U. and (b) ZAI covenants and agrees to use its best efforts to file within [*] (the "Initial IND Filing Date") an IND filing. In the event ZAI fails to complete such IND filing by the Initial IND Filing Date, (x) a [*] consulting/negotiation period shall immediately commence, during which period representatives of ZAI and UCB shall meet and discuss the reasons for the failure by ZAI to complete the IND filing by the Initial IND Filing Date (it being expressly agreed and understood that the parties shall cooperate in good faith with each other to find a mutually acceptable date to which to extend the Initial IND Filing Date) and (x)(1) in the event that UCB and ZAI are unable to reach agreement on a mutually acceptable extended Initial IND Filing Date or (2) following mutual agreement on an extended Initial IND Filing Date, ZAI then fails to complete the IND Filing by such extended Initial IND Filing Date, then UCB shall have the right to send to ZAI written notice of UCB's intention to terminate this Agreement and, unless ZAI completes such filing within [*] of receipt of such written notice, UCB shall then have the right to terminate this Agreement upon delivery of written notice thereof to ZAI.

4.7 Record Keeping and Reports. ZAI will prepare and maintain, and will cause each of its Affiliates and any Sublicensees to prepare and maintain, appropriate records (in accordance with its standard policies and procedures) regarding the Development and Commercialization of Licensed Compounds and/or Licensed Products. During the Term hereof, ZAI will provide UCB with annual reports setting forth a summary of material events and information related to such Development and Commercialization and a listing of any Regulatory Approvals achieved for Licensed Products in the Territory. Any and all such reports (and all data and information set forth therein) shall be considered ZAI's Confidential Information and shall be subject to the confidentiality and use restrictions under this Agreement. ZAI will also consider in good faith any reasonable requests by UCB for additional information (to the extent available) related thereto.

4.8 Compliance.

(a) *Debarment*. Each Party hereby certifies (on behalf of itself and its Affiliates) that it will not and has not employed or otherwise used in any capacity the services of any person debarred under Title 21 United States Code Section 335a in performing any activities under this Agreement. Each Party shall immediately notify the other Party in writing if any such debarment occurs or comes to its attention, and shall, with respect to any person or entity so debarred, promptly remove such person or entity from performing any activities related to or in connection with the Development Plan or this Agreement.

(b) *FCPA Compliance*. Each Party shall, and shall ensure that its Affiliates and any Third Party contractors shall, comply with the United Stated Foreign Corrupt Practices Act (including as it may be amended)(the "FCPA"), and any analogous laws or regulations existing in any other country or region in the Territory, in connection with its performance under this Agreement. Neither Party will make any payment, either directly or indirectly, of money or other assets, including but not limited to compensation derived from this Agreement, to government or political party officials, officials of international public organizations, candidates for public office, or representatives of other businesses or persons acting on behalf of any of the foregoing, that would constitute violation of any law, rule or regulation.

(c) *Export Control*. This Agreement and the obligations of the Parties hereunder are made subject to, and limited by, all applicable restrictions concerning the export of products or technical information from the United States of America which may be imposed upon or related to ZAI or UCB from time to time by the government of the United States of America. Furthermore, each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any Products using such technical information to any country for which the United States government or any agency thereof at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the Department of Commerce or other agency of the United States government when required by an applicable statute or regulation.

5. Payments and Royalties.

5.1 Up-Front Payment. ZAI will pay to UCB a one-time up-front licensee fee payment of Eight Hundred Thousand U.S. dollars ($800,000), payable (a) [*] within [*] business days after the Effective Date and will be non-refundable and (b) [*] within [*] business days after the later of the Technology Transfer Date and the completion of the Technology Transfer (it being expressly understood that completion of the Technology Transfer means [*]) and will be non-refundable.

5.2 Milestone Payments. In addition to the above, ZAI will pay to UCB each of the applicable milestone payments provided for in this Section 5.2 upon the first occurrence of the indicated milestone event. Each such milestone payment will be due and payable to UCB within [*] days after the achievement of the specified milestone event, and will be non-refundable, non-creditable and not subject

to set-off (except as expressly set forth herein). The following Development milestone payments will be paid only for the first Licensed Compound or Licensed Product to achieve the indicated milestone event. Following such payment, the subsequent repeated occurrence of the same milestone event by the same or another Licensed Compound or Licensed Product (and irrespective of whether a Licensed Product is Developed or Commercialized in two or more different dosage forms, dosage strengths or formulations) will not under any circumstances trigger any additional milestone payment as a result of such event.

Milestone Event	***Milestone Payment***
[*]	[*]

* If a milestone event described above for any of [*] is not achieved for a Licensed Compound or Licensed Product but one or more of subsequent milestone events described above does occur for the same Licensed Compound or Licensed Product and is achieved, such earlier skipped Milestone Payment will then be due and payable.

5.3 Royalties. ZAI will pay to UCB, on a Licensed Product-by-Licensed Product basis, running royalties on Net Sales of Licensed Products in the Territory at the applicable royalty rates, as set forth in the following table:

Aggregate Total of Annual Net Sales of a Product in the Territory	***Royalty Rate***
With respect to the portion of annual Net Sales less than $[*]	[*]%
With respect to the portion of annual Net Sales equal to or greater than $[*] but less than $[*]	[*]%
With respect to the portion of annual Net Sales equal to or greater than $[*]	[*]%

For clarity, non-limiting examples of sample royalty calculations are set forth in Exhibit G to illustrate how royalties for Licensed Products are to be calculated, it being acknowledged and agreed that the sales numbers used in those examples are not intended to imply or represent any form of forecast or projection of actual sales results that may occur if one or more Products are approved and subsequently Commercialized in the Territory.

(a) *Duration of Royalty Obligations*. ZAI's obligation to pay royalties under Section 5.3 will be in effect during the "Royalty Period" which begins on the date of First Commercial Sale of a Licensed Product in the Territory and shall expire on a Licensed Product-by-Licensed Product and country-by-country basis upon the later of:

(i) The expiration of the last-to-expire UCB Patent in such country having a Valid Claim that Covers such Licensed Product;

(ii) the expiration of all Regulatory Exclusivity Periods that apply to such Licensed Product in such country; or

(iii) ten (10) years after the First Commercial Sale of such Licensed Product in such country.

(b) *Additional Provisions Regarding Royalties*. For purposes of determining ZAI's royalty payment obligations under Section 5.3, all Licensed Products [*] will be treated as the same Licensed Product; provided, however, that Licensed Products [*] will be considered as different from any Licensed Products [*]. In addition, ZAI's royalty obligations under Section 5.3 will be subject to the following conditions:

(i) Only one royalty will be due and payable with respect to the same unit of Licensed Product;

(ii) Royalties when owed or paid hereunder will be non-refundable and non-creditable and not subject to set-off, except as expressly set forth herein;

(iii) No royalties shall be due upon the sale or transfer of Licensed Product among ZAI and its Affiliates or Sublicensees, but in such cases the royalty shall be due and calculated on ZAI's or its Affiliates or Sublicensee's Net Sales to the first independent Third Party;

(iv) No royalties shall accrue on the disposition of Licensed Product by ZAI or its Affiliates or Sublicensees for use in any Phase I Studies, Phase II Studies, Phase III Studies or Phase IV Studies;

(v) No royalties shall accrue on the distribution of Licensed Product in reasonable quantities by ZAI or its Affiliates or Sublicensees as free samples (whether for promotion or otherwise) or as donations (for example to non-profit institutions or government agencies for non-commercial purposes); and

(vi) Notwithstanding the definition of Licensed Product, in the event that ZAI or its Affiliates sells Licensed Product in other than final finished, packaged form (including without limitation sales of bulk active Licensed Compound) to a Third Party, the royalty obligations of this Section 5.3 shall be applicable to such sales of unfinished Licensed Product in the Territory.

(c) *Reduction of Royalties due to Generic Competition*. The royalty payment due and payable to UCB for Net Sales of a Licensed Product in a country pursuant to Section 5.3 will be reduced, on a Licensed Product-by-Licensed Product and country-by-country basis, by [*] of the amount otherwise due on those Net Sales of such Licensed Product in such country accrued after the launch of a Generic Product during a given calendar year in the event that total unit sales of one or more Generic Product(s) in such country during the same calendar year exceeds [*] of the total unit sales volume for such Product in that country during the same calendar year, as measured by IMS health data (or if such IMS data is not available, another appropriate end user level data base maintained by an independent Third Party). For clarity, the right to reduce royalty payments in any subsequent calendar years shall only apply if unit sales of Generic Product(s) in the relevant country remain at or above the [*] threshold in such subsequent calendar year(s).

(d) *Reduction of Royalties due to Third Party Payment*. If it is necessary for ZAI to obtain a license from a Third Party under any intellectual property rights controlled by such Third Party in a particular country in the Territory in order to use, import or sell a Licensed Product and ZAI obtains such a license, ZAI shall have the right to deduct, from the royalty payment that would otherwise have been due pursuant to Section 5.3 with respect to the Net Sales of such Licensed Product in such country in a particular calendar quarter, an amount equal to [*] of the payment made by ZAI to such Third Party pursuant to such license during such calendar quarter; provided, that, in no event shall this Section 5.3(d) operate to reduce the royalty rates by more than [*] of what they otherwise would be without the application of this Section 5.3(d).

(e) *Reduction of Royalties due to Patent Expiration*. The royalty payment due and payable to UCB for Net Sales of a Licensed Product in a country pursuant to Section 5.3 will be reduced, on a Licensed Product-by-Licensed Product and country-by-country basis, by [*] of the amount otherwise due on those Net Sales of such Licensed Product in such country accrued after expiration of the last-to-expire Patents in such country having a Valid Claim that Covers such Licensed Product.

(f) *Reports and Timing of Royalty Payments*. Starting on the date of First Commercial Sale of a Licensed Product in the Territory, ZAI will furnish to UCB a quarterly written report for each subsequent calendar quarter showing the Net Sales of all Licensed Products sold by ZAI, its Affiliates and Sublicensees for which royalties are payable hereunder, and the royalties due UCB on such sales. Each such royalty report shall be due within [*] days after the end of the relevant calendar quarter. The royalty payments due under Section 5.3 for each calendar quarter will be due and payable to UCB on the same date that the royalty report for the calendar quarter is due. Each royalty report shall describe in reasonable detail (based upon the data then available to ZAI) the Net Sales of each Licensed Product (including, without limitation, all deductions specified in the Net Sales definition), as well as the calculation of such Net Sales in the relevant local currency and the calculation of the exchange rate into U.S. dollars, and the calculation of royalty payments due for the relevant calendar quarter. The information contained in each report under this Section 5.3(f) shall be considered Confidential Information of ZAI.

5.4 Sublicense Payments.

(a) In the event that ZAI sublicenses to any Third Party any rights to Develop, Manufacture and/or Commercialize a Licensed Compound and/or Licensed Product in the Field in whole or in part, ZAI shall pay to UCB (x) the Royalties set forth in Section 5.3 above on the amount of annual Net Sales of Product booked by such Third Party and (y) an election of the higher of (1) the Milestone payments set forth above applicable to such sublicense and (2) a percentage of any other revenues received by ZAI from such Third Party as follows, and UCB shall make such election on a sublicense-by-sublicense agreement basis at the time ZAI enters into such sublicense agreement:

(i) With respect to a sublicense granted with respect to a Licensed Product prior to [*], [*]%;

(ii) With respect to a sublicense granted with respect to a Licensed Product prior to [*], [*]%; or

(iii) With respect to a sublicense granted with respect to a Licensed Product after [*], [*]%;

(b) “Sublicense Payments” means all payments received by ZAI from its Third Party sublicensee to the extent attributable to the grant to such Third Party of a sublicense under the license granted by UCB to ZAI under this Agreement, but excluding payment for: [*].

5.5 Payment Terms. This Section 5.5 will apply to all payments to be made by one Party to the other hereunder.

(a) *Manner of Payment*. All payments to be made by one Party to the other Party under this Agreement shall be made in United States dollars and by bank wire transfer in immediately available funds to such bank account as may be designated in writing by such Party from time to time. In the case of royalties due on sales of Licensed Product outside the United States, the exchange rate to be used in computing on a monthly basis the applicable royalty due UCB in U.S. dollars shall be made at the monthly rate of exchange utilized by ZAI in its worldwide accounting system, prevailing on the third to the last business day of the month preceding the month in which such sales are recorded.

(b) *Records and Audits*. ZAI will maintain (and will cause its Affiliates and/or Sublicensees to maintain) accurate books and records of accounting to document the sales of Licensed Products and the calculation of royalties payable to UCB in the Territory. For a period of [*] following the end of the relevant calendar year, the relevant books and records will, upon written request by UCB, be made reasonably available for inspection by an internationally recognized firm of independent certified public accountants (to be selected by UCB and reasonably acceptable to ZAI) as reasonably necessary to verify the accuracy of royalty reports for the relevant period. Access to such books and records shall be during normal business hours and upon reasonable prior notice; provided that in no event will any such audits or inspections be conducted more frequently than [*]. The auditors will, upon request, enter into a

confidentiality agreement as reasonably requested by ZAI. The auditors will be permitted to disclose to UCB only whether the royalty reports are correct or incorrect, and the details and amounts of any discrepancies. The auditors will also provide to ZAI, upon request, a copy of any audit reports and findings that are provided to UCB as a result of such inspection. If the auditors correctly identify any underpayments or overpayments, the amount of any underpayments will be paid to UCB by ZAI within [*] of notification of the results of such inspection, and any overpayments will be fully creditable against amounts payable to UCB in subsequent periods. UCB will be solely responsible for the costs and expenses of any such audit inspections, except that in the event of an underpayment of aggregate royalties due and payable to UCB for a calendar year of more than [*] of the total amount properly due, ZAI will reimburse UCB for the reasonable documented audit fees expenses charged by the auditors for such audit inspection. For clarity, upon the expiration of [*] following the end of any calendar year, absent willful misconduct or fraud by ZAI or any of its Affiliates or Sublicensees, the calculation of royalties payable to a UCB under this Agreement with respect to such calendar year shall become binding and conclusive upon the Parties and their Affiliates, and ZAI (and its Affiliates and Sublicensees) and UCB and its Affiliates shall be released from any liability or accountability with respect to royalties due or overpayments made under this Agreement for sales of Licensed Products during such calendar year.

(c) *Taxes*. UCB shall be liable for all income and other taxes (including interest) imposed upon any payments made by ZAI to UCB pursuant to this Agreement. If applicable laws, rules or regulations require the withholding of such taxes, ZAI shall make such withholding payments and shall subtract the amount thereof from the payments due UCB. ZAI shall submit to UCB appropriate proof of payment of the withheld taxes as well as the official receipts within a reasonable period of time. ZAI shall, upon request, provide UCB with reasonable assistance in order to assist UCB in seeking the benefit of any present or future tax exemptions and/or treaties against double taxation which may apply to any payments due UCB under this Agreement.

(d) *Interest Due*. If any uncontested amount properly due and payable to a Party under this Agreement is overdue, then the paying Party will also pay interest on the amount unpaid amount accrued at the annual rate USD London Interbank Offered Rate (LIBOR) 3 months plus [*] from the date of payment was due.

6. Ownership of Patents and Know-How/Technology Transfer.

6.1 Generally. The Parties acknowledge that the ownership rights set out in this Article 6 are subject to the terms and conditions of this Agreement (including, without limitation, the license grants and restrictions on licensing that are set forth in Article 2). At the reasonable written request of a Party, the other Party will provide written confirmation of the foregoing.

6.2 Ownership of Background IP. The Parties acknowledge that as between the Parties: (1) UCB shall retain ownership of and title to the UCB IP; and (2) ZAI shall retain ownership of and title to the ZAI Background IP.

6.3 Ownership of Development IP. [*] shall own all rights, title and interests in or to any Development Patents and Development Know-How. If [*] or any of its Affiliate makes or generates any Development IP, [*] agrees to and hereby does assign to [*] all of its right, title and interest in and to such Development IP, and agrees to take and cause its Affiliate and their employees and agents to take such further actions as reasonably requested by [*] to evidence and perfect its ownership in and to obtain intellectual property protection for the Development IP. Notwithstanding the above or anything else to the contrary in this Agreement, it is expressly agreed and understood that with respect to any Development IP and Development Know-How that is [*], [*] shall [*] such Development IP and Development Know-How [*].

6.4 Disputes Regarding Ownership. In the event of a dispute between the Parties regarding ownership or inventorship of any Patent Rights which the Parties are unable to resolve, the Parties shall agree on a mutually acceptable procedure to resolve such dispute by involving independent Third Party patent counsel (to be jointly selected by the Parties to investigate and resolve such dispute in accordance with United States laws, rules and regulations governing inventorship). The costs of engaging such outside counsel for that purpose shall be [*]. The Parties agree that any disputes within the scope of this Section 6.4 shall be expressly excluded from and are not subject to resolution under the terms of Section 12.1.

6.5 Trademarks. ZAI and/or its Affiliates shall be responsible (at its/their own expense) for and control the selection, registration, maintenance, enforcement and defense of any and all trademarks for the Licensed Products in the Territory. ZAI and/or its Affiliates shall own all rights, title and interest in and to any such trademarks and any related domain names associated with the Licensed Products or which contain the trademarks. During the Term, UCB and its Affiliates shall not use or seek to register any trademarks that are confusingly similar to any of the trademarks properly registered by ZAI or its Affiliates for the Licensed Products.

6.6 Selection of CMO. Notwithstanding anything to the contrary herein, ZAI shall have the right to select one (1) or more CMOs for the Manufacture of Licensed Compounds and/or Products. Prior to any consideration of Technology Transfer to any such CMO(s), ZAI shall disclose the list of CMO(s) with whom it would like to subcontract. ZAI shall only subcontract its Manufacturing to Third Parties [*], provided that [*]. In addition, (i) ZAI shall enter into agreements with its CMO's and subcontractors that contain confidentiality and intellectual property rights terms consistent with those set forth in this Agreement, (ii) no such subcontracting to CMO's or subcontractors shall relieve ZAI of its obligations hereunder, and (iii) ZAI shall provide the right of termination provisions in its agreements with its CMO's and subcontractors to protect UCB's proprietary know-how relating to UCB Format IP.

6.7 Technology Transfer.

(a) On or before the Technology Transfer Date, UCB shall complete the Technology Transfer and transfer to ZAI all UCB Compound documentation existing as of the Effective Date. Until the Technology Transfer Date, UCB shall make reasonably available, at UCB's cost, UCB employees/representatives who are familiar with the Licensed Compound and Licensed Product, including CMC expertise, to provide technical assistance to ZAI in connection with the Technology Transfer or the transfer of the UCB Compound technical knowledge, including ZAI's efforts to establish and qualify a Manufacturing facility for the Licensed Compound or the Licensed Product. It is expressly agreed and understood that such technical assistance shall be limited to [*] and shall not include [*].

(b) Following the Technology Transfer Date or the utilization of the original [*] of assistance, if ZAI requires any further technical or other assistance from UCB, such assistance will be provided at a charge by UCB to be negotiated and mutually agreed upon by the Parties. In addition, during the Term of this Agreement, upon ZAI's request and to the extent not previously provided to ZAI, UCB shall provide to ZAI with any document and other information, including pre-clinical, clinical, or regulatory data and report, that are Controlled by UCB and identified as import or material or are otherwise necessary to the Development, Manufacture or Commercialization of the Licensed Compound and Licensed Products.

7. Patent Provisions.

7.1 Prosecution of Patent Rights. Except as otherwise expressly set forth herein, during the term of this Agreement, [*] shall be the Lead Party responsible (at its own expense) for and shall control the Prosecution of the [*] Patents in the Territory, and [*] shall be the Lead Party responsible for and shall control the Prosecution of the [*] Patents in the Territory.

(a) *Cooperation Generally*. Each Party shall, upon request, reasonably cooperate with the other Party, as applicable, in the Prosecution of the [*] Patents. Such cooperation will include promptly executing or causing the execution of any and all documents that are reasonably necessary and appropriate to enable the Prosecution of such Patent Rights in the Territory. The Lead Party shall keep the other Party advised of the status of the actual and prospective patent applications and issued patents that are within the scope of the applicable Patent Rights for which it is responsible. The Lead Party shall promptly give notice to other Party of the grant, lapse, revocation, surrender, invalidation or abandonment of any Patent Rights for which it is responsible that Covers a Licensed Compound or Licensed Product being Developed or Commercialized under this Agreement.

(b) *Provisions Specific to [*] Patents*. The Lead Party will provide the other Party a reasonable opportunity to review and comment on any planned patent applications or other substantive communications related to the [*] Patents. The Lead Party will reasonably consider and use good faith efforts to address any reasonable comments timely made by the other Party. [*] will be solely responsible for the reasonable, documented out-of-pocket costs and expenses of Prosecuting the [*] Patents in the Territory. [*] will be solely responsible for the reasonable, documented out-of-pocket costs and expenses of Prosecuting the [*] Patents in the Territory.

(c) *Provisions Specific to [*] Patents*. The Lead Party for the [*] Patents shall select outside patent counsel. The Lead Party will provide the other Party a reasonable opportunity to review and comment on any planned patent applications or other substantive communications related thereto. The Lead Party will reasonably consider and use good faith efforts to address any reasonable comments timely made by the other Party. In the event that the Lead Party elects not to continue the Prosecution of any [*] Patents for which it is responsible (including within any country or region within the Territory), the Lead Party will provide the other Party with notice of this decision at least thirty (30) days prior to any pending lapse or abandonment thereof. [*] shall be solely responsible for the reasonable, documented out-of-pocket costs and expenses with respect to the [*] Patents in all countries in the Territory [*]. However, if [*] Prosecute a given Development Patent in one or more countries in the Territory [*] will thereafter be responsible for the reasonable, documented out-of-pocket costs and expenses of Prosecuting such Development Patent(s) in such country(ies).

(d) *Reimbursement of Costs*. The Lead Party will, if applicable, be reimbursed by the other Party for the relevant patent costs pursuant to detailed, itemized invoices to be provided by the Lead Party at the end of each calendar quarter. Any such invoices shall be due and payable within [*] days of receipt.

(e) *Patent Term Extensions*. The Parties will consult with one another when considering any patent term extension or supplemental protection certificates or their equivalent for any [*] Patents which Covers one or more Licensed Products being Developed and/or Commercialized pursuant to this Agreement. In the event that any election with respect to patent term extension or supplemental protection certificates or their equivalent for any such Patent Rights is available in a country or region under applicable laws, [*] will make the election (after consultation with [*]) and [*] agrees to abide by such election; provided that such election does not adversely affect any of [*] rights hereunder.

7.2 Enforcement and Defense of Patent Rights.

(a) *Notice*. During the Term, each Party will promptly notify the other Party in writing upon learning of (1) any actual or suspected infringement by a Third Party of any [*] Patents that Cover the Licensed Compounds, Licensed Products and/or the manufacture or use thereof, (2) any claim of invalidity, unenforceability of any such Patent Rights, and/or (3) any misappropriation or unauthorized use by a Third Party of a Party's Know-How. Any such notice shall identify the Third Party in question

and contain a brief description (based upon available information) of the relevant actions that are believed to constitute such infringement, misappropriation or unauthorized use or upon which such claims of invalidity or unenforceability are based. Responsibility and control over any actions to defend and/or enforce any such Patent Rights or Know-How under this Agreement shall be allocated between the Parties in accordance with the terms of Section 7.2(b). (The Party responsible for controlling the enforcement or defense of the relevant Patent Rights or Know-How is referred to as the "Acting Party" and the other Party is referred to as the "Supporting Party".)

(b) *Determination of Acting Party*.

(i) *First Right to Enforce*. [*] shall have the first right (but no obligation) to be the Acting Party and to enforce and defend worldwide under its control, at its own expense, the [*] Patents with respect to such infringement. The Acting Party shall have the first right (but no obligation) to undertake and control any legal proceedings or other actions to so enforce and/or defend such Patent Rights worldwide. In such event, the Acting Party will do so at its own expense, and may undertake such proceedings and actions in the name of [*], as appropriate.

(ii) *Backup Right; Control and Cooperation*. The Acting Party shall promptly notify the other Party in writing if it elects not to exercise its first right to undertake and control such actions with respect to, as applicable, the [*] Patents, as provided in Section 7.2(b)(i), in which case the Party receiving the notice shall thereafter be considered the Acting Party and have the right (but no obligation) to undertake and control any such actions at its own expense and in the name of [*], as appropriate. With respect to any legal proceedings or actions initiated under this Section 7.2(b):

(A) If the Acting Party is unable to initiate or prosecute the action solely in its own name, the Supporting Party will, upon request, join the action and/or execute all documents reasonably necessary for the Acting Party to initiate, prosecute and maintain the action;

(B) The Supporting Party shall have the right to consult with the Acting Party to participate in decisions regarding the appropriate course of conduct for such action, and the additional right to join and participate in (but not control) such action at its own cost and expense; and

(C) The Supporting Party shall have the right to be represented by legal counsel of its own choice and at its own cost and expense in connection with any legal proceedings or other actions undertaken by the Acting Party pursuant to this Section 7.2 to defend or enforce the [*] Patents.

(c) *Cooperation*. The Supporting Party shall, upon request by the Acting Party, reasonably assist and cooperate with the efforts of the Acting Party. The Acting Party shall keep the Supporting Party informed of any developments in the action.

(d) *Settlement.* The Acting Party shall have the right to settle the relevant claim or actions; provided, however, that the Acting Party shall not, without the prior written consent of the Supporting Party, enter into any settlement, consent judgment or other voluntary final disposition of any claim or action that would: (i) subject the Supporting Party or its Affiliates to an injunction or otherwise adversely impact any of the Supporting Party's rights under this Agreement; (ii) impose any financial obligation upon the Supporting Party or its Affiliates; and/or (iii) constitute an admission of guilt or wrongdoing by the Supporting Party or its Affiliates.

(e) *Damages*. Any recovery of damages or other compensation received by the Acting Party in connection with a claim or action involving the Patent Rights for which it is responsible under this Section 7.2 will be first applied towards the reimbursement of the Parties' documented out-of-pocket costs and expenses associated with such claim (including reasonable attorneys' fees, expert witness fees, court costs and other litigation costs and expenses). Any and all remaining amounts will then be allocated between the Parties [*].

7.3 Patent Marking. ZAI will comply, and will cause its Affiliates and Sublicensees to comply, with applicable laws, rules and regulations in governing the marking of pharmaceutical products in the Territory to identify the relevant issued patents.

8. Opt-Back Option.

ZAI hereby grants to UCB a Right of First Negotiation ("ROFN") on the Licensed Product, Licensed Compound and the ZAI IP upon the [*]. UCB shall have a [*] day period following receipt of the [*] to exclusively negotiate with ZAI for the acquisition of all of ZAI's rights thereto (such [*] day period, the "ROFN Period"), which shall include the payment of mutually acceptable upfront, milestone and royalty payments. If the Parties fail to conclude an agreement within the ROFN Period, then ZAI shall have the freedom to negotiate and enter into a proposed transaction with other Third Parties, and UCB's ROFN under this Article 8 shall expire.

9. Confidentiality.

9.1 Confidentiality.

(a) *Confidentiality Obligations*. One Party (the "Disclosing Party") may disclose or otherwise make available to the other Party (the "Receiving Party") certain of the Disclosing Party's Confidential Information for use in connection with this Agreement. During the Term and for [*] years thereafter, the Receiving Party will keep confidential, will not disclose to any Third Party, and shall not use for any purpose other than as expressly permitted hereunder, any Confidential Information of the Disclosing Party. The foregoing obligations shall not apply to the extent that such information:

(i) was known to Receiving Party or any of its Affiliates prior to the time of disclosure (and such prior knowledge can be properly documented);

(ii) is or becomes public knowledge through no fault or omission of Receiving Party or any of its Affiliates;

(iii) is obtained by the Receiving Party (or its Affiliates) without restrictions of confidentiality from a Third Party under no obligation of confidentiality to the Disclosing Party or its Affiliates;

(iv) is independently developed by employees or agents of Receiving Party (or its Affiliates) without the aid, application or use of the Disclosing Party's Confidential Information (and such independent development can be properly documented); or

(v) is required by applicable law, rule, regulation, act or order of a governmental authority or agency, or a court of competent jurisdiction; provided, that the Receiving Party (1) promptly provides written notice of such requirement to the Disclosing Party so that the Disclosing Party can seek a protective order or other appropriate remedy to preserve the confidentiality of such information, (2) upon request, reasonably cooperates with the Disclosing Party in connection with such efforts, and (3) only discloses the minimum Confidential Information required to be disclosed in order to comply.

Any combination of features or disclosures shall not be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party. In addition, to the extent that any Confidential Information is disclosed pursuant to legal requirement in accordance with Section 9.1(a)(v), it shall remain otherwise subject to the confidentiality and non-use provisions of this Section 9.1.

(b) *Disclosure by ZAI for Regulatory Purposes*. ZAI (and its Affiliates and Sublicensees) shall have the right to include UCB's Confidential Information as reasonably necessary in its INDs, BLAs, or other submissions to Regulatory Authorities in the Territory to obtain or maintain Marketing Authorizations for any Licensed Compounds or Licensed Products under the terms of this Agreement.

(c) *Permitted Disclosure by UCB.* UCB shall have the right to disclose UCB Compound Know-How (which shall be considered both UCB's and ZAI's Confidential Information during the Term of this Agreement) if and to the extent necessary to (i) its Affiliates, and (ii) those Third Party consultants and contractors performing activities in connection with UCB's retained rights hereunder (subject to the exclusion set forth in Section 2.1(a)). Any such disclosure to Affiliates or Third Party contractors shall be pursuant to a written agreement of confidentiality and non-use containing terms at least as restrictive as those set forth in this Agreement. UCB shall remain responsible for and liable hereunder with respect to any breach caused by any of the foregoing.

(d) *Permitted Disclosure by ZAI of UCB Compound Information*. During the Term, ZAI shall have the right to disclose UCB's Confidential Information if and to the extent necessary to those of its Affiliates, Sublicensees and/or Third Party consultants and contractors performing activities in connection with the Development Program, Manufacture (subject to Section 6.6 and Section 9.1(e)) and/or the Commercialization and/or sublicensing of Licensed Compounds and/or Licensed Products under this Agreement. Any such disclosure to Affiliates, sublicensees or Third Party contractors shall be pursuant to a written agreement of confidentiality and non-use containing terms at least as restrictive as those set forth in this Agreement. ZAI shall remain responsible for and liable hereunder with respect to any breach caused by its Affiliates, Sublicensees and/ or Third Party consultants or contractors.

(e) *Permitted Disclosure by ZAI of UCB Format Information*. During the Term, ZAI shall not have the right to disclose UCB's Format Confidential Information to any of its Affiliates, Sublicensees and/or Third Party consultants and contractors without [*] a written agreement of confidentiality and non-use containing terms at least as restrictive as those set forth in this Agreement. ZAI shall remain responsible for and liable hereunder with respect to any breach caused by its Affiliates, Sublicensees and/ or Third Party consultants or contractors.

(f) *Other Permitted Disclosures*. Each Party shall have the limited right to disclose the other Party's Confidential Information if and solely to the extent reasonably necessary (as reasonably determined based upon the advice of such Party's legal counsel) to be disclosed (1) to Third Parties and their respective legal counsel with whom such Party is negotiating a permitted assignment under Section 12.10, (2) to potential and actual licensees/sublicensees (and their legal counsel) of the license grant in Section 2.1 or 11.6(a)(v) and other collaborators (and their legal counsel), and/or (3) to accredited investors, qualified institutional buyers, and qualified purchasers and their legal counsel (as such terms are defined in the U.S. Securities Act of 1933 and/or the U.S. Securities Exchange Act of 1934, as amended). Prior to making any such disclosure under this Section 9.1(f), such Party shall ensure that the recipient is subject to written obligations of confidentiality and non-use that are no less restrictive than those set forth in this Agreement, and such Party will limit the content and timing of any such disclosure as much as reasonably possibly. Such Party shall remain responsible for and liable hereunder with respect to any breach caused by any of the foregoing.

9.2 Publications. ZAI and UCB each acknowledge the other Party's interest in publishing the results of its research in order to obtain recognition within the scientific community and to advance the state of scientific knowledge. However, each Party also recognizes their mutual interest in obtaining valid patent protection and in protecting business interests and trade secret information. Consequently, in the event that a Party wishes to make a publication (including without limitation abstracts, papers, or verbal public presentations) related to the discovery, Development, Manufacture or Commercialization of Licensed Compounds and/or Licensed Products, it shall first deliver to the other Party a copy of the proposed publication (or an outline in the case of a planned verbal presentation) at least [*] days prior to

submission for publication or presentation. The reviewing Party shall have the rights (1) to request modifications to the publication or presentation for patent reasons, trade secret reasons or business reasons and/or (2) to request a reasonable delay in publication or presentation in order to protect patentable information. If the reviewing Party requests modifications to the publication or presentation, the publishing Party shall edit such publication to prevent disclosure of trade secret or proprietary business information identified by the reviewing Party prior to submission of the proposed publication or presentation. If the reviewing Party requests a delay, the publishing Party shall delay submission or presentation for a period of [*] days to enable patent applications protecting each Party's rights in such information to be filed in accordance with Section 7.1. Upon expiration of such [*] days, the publishing Party shall be free to proceed with the publication or presentation, subject to compliance with any requests for modification as provided above. However, UCB agrees that it shall not (and shall ensure that its Affiliates and Third Party contractors do not) publish or otherwise publicly disclose in any publication or presentation of any data or information regarding [*] at any time [*].

9.3 Disclosure of Agreement Terms. Promptly after the Effective Date, the Parties shall issue a joint press release in the form attached hereto as Exhibit H. No other public disclosure of the non-public terms and conditions of this Agreement may be made by either Party, without the prior written consent of the other Party. However, each Party shall have the limited right to disclose the non-public terms and conditions of this Agreement to its Affiliates and/or if and solely to the extent reasonably necessary (as reasonably determined based upon the advice of such Party's legal counsel) to be disclosed (1) to Third Parties and their respective legal counsel with whom such Party is negotiating a permitted assignment under Section 12.10, (2) to potential and actual licensees/sublicensees (and their legal counsel) of the license grant in Section 2.1 or 11.6(a)(v) and other collaborators (and their legal counsel), and/or (3) to accredited investors, qualified institutional buyers, and qualified purchasers and their legal counsel (as such terms are defined in the U.S. Securities Act of 1933 and/or the U.S. Securities Exchange Act of 1934, as amended.). Prior to making any such disclosure under this Section 9.3, such Party shall ensure that the recipient is subject to written obligations of confidentiality and non-use that are no less restrictive than those set forth in this Agreement, and such Party will limit the content and timing of any such disclosure as much as reasonably possible to avoid and/or minimize the disclosure of competitively sensitive information. However, nothing in this Section 9.3 shall prohibit a Party from making such disclosures if and to the extent reasonably required to comply with applicable federal or state securities laws or any rule or regulation of any nationally recognized securities exchange; provided that in such event, the disclosing Party shall notify and consult with the other Party prior to such required disclosure and shall diligently seek confidential treatment to the fullest extent available.

9.4 Relationship to the Confidentiality Agreement. This Agreement supersedes that certain mutual "Confidentiality Agreement" between the Parties (and/or its Affiliates) dated [*]; provided that all "Confidential Information" (as defined in that agreement) that was disclosed or received by the Parties thereunder will also be deemed to be "Confidential Information" for purposes of this Agreement and will be subject to the terms and conditions of this Agreement.

10. Warranties; Limitations of Liability; Indemnification.

10.1 Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date that: (i) it is a corporation or limited liability company duly organized, validly existing, and in good standing under applicable laws; (ii) it has obtained all necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by it in connection with this Agreement; (iii) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on its part; and (iv) it has the legal right and power to enter into this Agreement, to extend the rights and licenses granted or to be granted to the other in this Agreement, and to fully perform its obligations hereunder.

10.2 Additional Representations and Warranties of UCB. UCB hereby represents and warrants to ZAI as of the Effective Date that, except as otherwise disclosed in writing by UCB on or before the Effective Date: (i) UCB Controls the UCB IP and is entitled to grant the licenses to ZAI specified herein with respect thereto; (ii) UCB has not granted to any Third Party any rights or licenses under the UCB IP that would conflict with the licenses granted to ZAI hereunder; (iii) UCB has disclosed to ZAI all prior art that is material to the patentability of and/or freedom to operate with respect to any existing UCB Patents, in whole or in part; (iv) it has obtained a present written assignment to UCB of all rights to the existing UCB Patents from the inventors named thereof; (v) there are no claims, judgments or settlements against or owed by UCB, and to the best of its knowledge no pending or threatened claims or litigation, relating to the UCB Patents or UCB Know-How or the Licensed Compound; (vi) UCB has not received any written notice from any Third Party asserting or alleging that the development of UCB IP or the Licensed Compound prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party; (vii) to UCB's knowledge, the development of UCB IP and the Licensed Compound prior to the Effective Date did not infringe any valid intellectual property rights owned or possessed by any Third Party and did not breach any obligation of confidentiality or non-use owed by such Party to a Third Party; (viii) to UCB's knowledge, UCB does not own any Patents or Know-How, other than UCB IP, that would be necessary for the Development, Manufacture and/or Commercialization of the Licensed Compound or Licensed Product; and (ix) to UCB's knowledge, the use of the UCB IP and the Development of the Licensed Compound and Licensed Product as contemplated by the Parties as of the Effective Date will not infringe or misappropriate the intellectual property rights of any Third Party.

10.3 Disclaimers. Without limiting the respective rights and obligations of the Parties expressly set forth herein, each Party specifically disclaims any guarantee that any Licensed Products will be successful, in whole or in part. The failure of the Parties to successfully Develop or Commercialize a Licensed Product will not, of itself, constitute a breach of this Agreement. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, THE PARTIES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY UCB IP, ZAI BACKGROUND IP, DEVELOPMENT IP, LICENSED COMPOUNDS, MATERIALS, LICENSED PRODUCTS, PATENT RIGHTS OR KNOW-HOW, INCLUDING WARRANTIES OF VALIDITY OR ENFORCEABILITY OF ANY RIGHTS, TITLE, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, PERFORMANCE, AND NONINFRINGEMENT OF ANY THIRD PARTY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS.

10.4 No Consequential Damages. IN NO EVENT WILL EITHER PARTY HAVE ANY CLAIMS AGAINST OR LIABILITY TO THE OTHER PARTY WITH RESPECT TO ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING ANY CLAIMS FOR LOST PROFITS OR REVENUES) ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN INFORMED OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THE FOREGOING LIMITATION SHALL NOT APPLY WITH RESPECT TO INDEMNITY FOR THIRD PARTY CLAIMS AS PROVIDED IN SECTION 10.5 OR EITHER PARTY'S BREACH OF CONFIDENTIALITY AND NON-USE OBLIGATIONS HEREUNDER.

10.5 Indemnification.

(a) *Indemnification by ZAI*. ZAI will indemnify, defend and hold harmless UCB, its Affiliates, and their respective directors, officers, employees and agents (collectively, "UCB Indemnitees") from and against any and all claims, demands, judgments, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "Liabilities") arising out of or in connection with any and all Third Party claims relating to: (i) any gross negligence, willful misconduct or breach of this Agreement (including its representations and warranties made under this

Agreement) by ZAI or any of its Affiliates or Sublicensees; or (ii) the Development, Manufacture or Commercialization by ZAI or any of its Affiliates or Sublicensees of any Licensed Compounds or Licensed Products, except in each case to the extent such Liabilities result from the gross negligence or willful misconduct of UCB or any of the UCB Indemnitees.

(b) *Indemnification by UCB*. UCB will indemnify, defend and hold harmless ZAI, its Affiliates, and their respective directors, officers, employees and agents (collectively, "ZAI Indemnitees") from and against any and all Liabilities arising out of or in connection with any and all Third Party claims relating to any gross negligence, willful misconduct or breach of this Agreement (including its representations and warranties made under this Agreement) by UCB, except to the extent such Liabilities result from the gross negligence or willful misconduct of ZAI or any of the ZAI Indemnitees.

(c) *Procedure*s. In the event that any Party intends to claim indemnification under this Section 10.5 with respect to a Liability, it shall promptly notify the other Party in writing of any such alleged Liability. The indemnifying Party shall have the right to control the defense thereof with counsel of its choice; provided, however, that the indemnified Party shall have the right to retain its own counsel, (with the fees and expenses to be paid by the indemnifying Party), if representation by the counsel retained by the indemnifying Party would be inappropriate due to actual or potential differing interests between the Parties in such proceeding. The affected Indemnitees shall, upon request, cooperate reasonably with the indemnifying Party and its legal representatives in the investigation and defense of any action, claim or liability covered by this Section 10.5. Neither Party may settle any claim or action related to a Liability without the consent of the other Party, if such settlement would (i) impose any monetary obligation on the other Party (unless the indemnifying Party agreed to be solely responsible for such monetary obligation), (ii) constitute an admission of guilt or wrong-doing by the other Party, or (iii) require the other Party to submit to an injunction or otherwise limit the other Party's rights under this Agreement. Any payment made by the indemnified Party to settle any such claim or action without the indemnifying Party's consent shall be at indemnified Party's own cost and expense.

10.6 Insurance. Each Party will maintain at its sole cost and expense, an adequate liability insurance or self-insurance program (including product liability insurance) to protect against potential liabilities and risk arising out of activities to be performed under this Agreement and any agreement related hereto and upon such terms (including coverages, deductible limits and self-insured retentions) as are customary in the U.S. pharmaceutical industry for the activities to be conducted by such Party under this Agreement. The coverage limits set forth herein will not create any limitation on a Party's liability to the other under this Agreement.

11. Term and Termination.

11.1 Term. This Agreement will commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof, will continue in effect until the expiration of ZAI's royalty obligations to UCB under Section 5.3 in all countries in the Territory (the "Term"). However, effective upon the expiration of ZAI's royalty obligations to UCB with respect to a given Licensed Product in a given country in the Territory: (i) the licenses granted to ZAI in Section 2.1 under the UCB IP will become fully paid up, irrevocable, royalty-free and non-exclusive with respect to such Licensed Product in such country; and (ii) ZAI and its Affiliates and Sublicensees shall have the right to continue to Commercialize the relevant Licensed Product in such country without further obligation to UCB.

11.2 Discretionary Termination by ZAI. ZAI shall have the unilateral right to terminate this Agreement (with or without cause) by providing UCB with [*] days' prior written notice to that effect.

11.3 Termination for Breach. Each Party shall have the unilateral right to terminate this Agreement at any time during its Term by providing written notice to that effect if the other Party is in breach of one or more of its material obligations hereunder and has not cured such breach within [*] days after the date of such notice; provided, however, that the period for curing the breach to avoid termination shall only be [*] business days in the case of a breach solely due to failure by a Party to make an uncontested payment when properly due hereunder. In the event of a good faith dispute with respect to the existence of a material breach, the cure period shall be tolled until such time as the dispute is resolved pursuant to Section 12.1.

11.4 Termination Upon Bankruptcy.

(a) *Termination.* Each Party shall have the unilateral right to terminate this Agreement at any time during its Term by providing written notice with immediate effect in the event that: (i) the other Party files in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of all or substantially all of its assets, or (ii) if the other Party is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within [*] days after the filing thereof, or (iii) if the other Party proposes or is a party to any dissolution or liquidation, or (v) if the other Party makes an assignment of all or substantially all of its assets for the benefit of its creditors.

(b) *Consequences of Bankruptcy*. All rights and licenses granted under or pursuant to this Agreement by ZAI or UCB or their Affiliates are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the non-insolvent Party (and its Affiliates and sublicensees) as licensees of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code and any foreign counterparts thereto.

11.5 Termination for challenge to the Patents. In the event that either Party or any of its Affiliates or (Sub)licensees, anywhere in the world, institutes, prosecutes or otherwise participates in (or in any way aids any Third Party in instituting, prosecuting or participating in), at law or in equity or before any administrative or regulatory body, including the U.S. Patent and Trademark Office or its foreign counterparts, any claim, demand, action or cause of action for declaratory relief, damages or any other remedy, or for an enjoinment, injunction or any other equitable remedy, including any interference, re-examination, opposition or any similar proceeding but excluding in response to any infringement claims first filed by the other Party, alleging that any claim in any Patent Rights Controlled by the other Party is invalid, unenforceable or otherwise not patentable, such other Party shall have the right to terminate this Agreement, including the rights of any (Sub)licensees, on [*] day written notice to the first Party, unless such first Party withdraws or causes the withdrawal of such proceedings within such [*]-day period.

11.6 Effects of Termination. The rights and obligations of the Parties upon termination of this Agreement shall be governed by the terms and conditions set forth in this Section 11.6 and in Section 11.7.

(a) Mutual Termination, Termination for Convenience, Force Majeure. In the event of termination of this Agreement under Section 11.2 or 12.15, or by the Parties' mutual agreement:

(i) Except as may otherwise be agreed in writing by the Parties, ZAI will be responsible at its own expense for an orderly wind-down, in accordance with accepted pharmaceutical industry norms and ethical practices, of any then on-going clinical studies for which it has responsibility.

(ii) All licenses and rights granted by UCB to ZAI hereunder (including, without limitation, in Section 2.1) will terminate and such licenses and rights shall revert to UCB (except for those that expressly survive any such termination hereunder), and ZAI and its Affiliates and Sublicensees will have no further rights to use any UCB IP. ZAI shall promptly return to UCB (or as directed by UCB destroy and certify to UCB in writing as to such destruction) all of UCB's Confidential Information and any Materials constituting UCB Know-How that are in ZAI's or its Affiliates' or Sublicensees' possession or control.

(iii) [*] the Licensed Compounds and/or Licensed Products that are [*] will be [*].

(iv) ZAI will [*] (it being understood that the foregoing [*] or [*].

(v) ZAI shall [*]. [*] to the extent that [*] and/or [*]. In addition, (1) UCB will [*], which include [*], (2) the provisions of [*] and [*], except that ZAI shall [*], (3) the [*] as set forth in [*] with respect to [*], and (4) UCB will [*] thereto.

(vi) Should ZAI or any of its Affiliates have any remaining inventory of Licensed Compound and/or Licensed Product ZAI will transfer such Licensed Compound or Licensed Product to UCB "AS IS" at a price equal to [*].

(b) Termination pursuant to Diligence Failure or for Material Breach, challenge to the UCB Patents or Bankruptcy of ZAI. In the event of termination of this Agreement by UCB under Section 4.6, 11.3, 11.4 or 11.5:

(i) Except as may otherwise be agreed in writing by the Parties, ZAI will be responsible at its own expense for an orderly wind-down, in accordance with accepted pharmaceutical industry norms and ethical practices, of any then on-going clinical studies for which it has responsibility.

(ii) All licenses and rights granted by UCB to ZAI hereunder (including, without limitation, in Section 2.1) will terminate and such licenses and rights shall revert to UCB (except for those that expressly survive any such termination hereunder), and ZAI and its Affiliates and Sublicensees will have no further rights to use any UCB IP. ZAI shall promptly return to UCB (or as directed by UCB destroy and certify to UCB in writing as to such destruction) all of UCB's Confidential Information and any Materials constituting UCB Know-How that are in ZAI's or its Affiliates' or Sublicensees' possession or control.

(iii) [*] the Licensed Compounds and/or Licensed Products that are [*] will be [*].

(iv) ZAI will [*] (it being understood that the foregoing [*] or [*]).

(v) ZAI shall [*]. [*] to the extent that [*] and/or [*]. In addition, (1) UCB will [*], which include [*], (2) the provisions of [*] and [*], except that ZAI shall [*], (3) the [*] as set forth in [*] with respect to [*], and (4) UCB will [*] thereto.

(vi) Should ZAI or any of its Affiliates have any remaining inventory of Licensed Compound and/or Licensed Product ZAI will transfer such Licensed Compound or Licensed Product to UCB "AS IS" at a price equal to [*].

(c) Termination for Material Breach, Challenges of ZAI Patents or Bankruptcy of UCB. In the event of termination of this Agreement by ZAI under Section 11.3, 11.4 or 11.5:

(i) To the extent permitted under applicable law, the licenses granted by UCB to ZAI under Section 2.1 shall continue in full force and effect on a transferable basis and ZAI's payment obligation under Section 5.2 through 5.5 following the date of such termination shall continue in full force and effect but [*], provided however that in the event of a dispute between the Parties as to whether grounds for termination pursuant to Section 11.3 have arisen, the [*] shall not apply unless and until the dispute is resolved in ZAI's favor in accordance with Section 12.1 and UCB fails to comply with the arbitrator's decision within [*] days following such decision and fails to remedy its breach of this Agreement within such [*] day period, following which the [*] shall apply prospectively in respect of [*].

11.7 Survival. Except as otherwise set forth in Section 6, the following provisions (as well as any other provision which by its terms is clearly intended to survive termination or expiration of this Agreement) will survive termination or expiration of this Agreement: Sections [*]. Termination or expiration of this Agreement will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations will terminate upon termination or expiration of this Agreement.

11.8 Change of Control.

(a) In the event that a Party is subject to a Change of Control (as defined below) such Party, or its successor in interest shall remain subject to all of the terms and conditions of this Agreement and shall, within thirty (30) days after the occurrence of such event, provide the other Party with a written certification signed on behalf of the affected Party or its successor in interest confirming such Party's (or its successors) agreement to be bound by and perform its obligations under this Agreement. In the event that the Party undergoing a Change of Control fails to provide such written certification, or if the other Party reasonably determines, based on its assessment of available objective factual considerations, that the affected Party (or its successor in interest) will not be able to perform any of its obligations under this Agreement in accordance with the terms hereof, it shall promptly notify the affected Party in writing to that effect. The Parties shall then promptly meet to negotiate in good faith a mutually acceptable reallocation of responsibilities and/or amendments or other modification of this Agreement to address the relevant obligations of the Party undergoing the Change of Control (or its successor).

(b) As used in this Section 11.8, the term "**Change of Control**" means, with respect to a Party, the occurrence of any of the following events: (i) the acquisition by any Third Party (or a group of Third Parties acting in concert), whether in a single transaction or a series of transactions, of beneficial ownership of securities of such Party representing more than fifty percent (50%) of the combined voting power of such Party's then outstanding securities entitled to vote generally in the election of directors; (ii) the consummation of a merger or consolidation of such Party with a Third Party, other than a merger or consolidation which would result in such Party's voting securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of such Party's voting securities or such surviving entity's voting securities outstanding immediately after such merger or consolidation; or (iii) the bona fide sale, lease, transfer, exclusive license or other disposition, whether in a single transaction or series of related transactions, by such Party (or its Affiliates) of all or substantially all the assets of (A) such Party and its subsidiaries taken as a whole or (B) such Party's subsidiaries, except in the case of both (A) and (B) if such sale, lease, transfer, exclusive license or other disposition is to a majority owned (direct or indirect) subsidiary of such Party.

12. General Provisions.

12.1 Dispute Resolution. The Parties shall negotiate in good faith and use reasonable efforts to resolve or settle any dispute, controversy or claim arising from or related to this Agreement or the breach thereof. In the event that such dispute, controversy or claim is not resolved on an informal basis within twenty (20) days, any Party may, by written notice to the other, have such dispute referred to senior executives having decision-making authority on behalf of such Party (but not any member of the JSC or Development Forum), who shall attempt in good faith to resolve such dispute for a thirty (30) day period following receipt of such written notice. If the Parties do not fully settle by the foregoing process, and a Party then wishes to pursue the matter, each such dispute, controversy or claim that is not an Excluded Claim (as defined below) shall be finally resolved by binding arbitration in accordance with the [*] of the

[*], and the procedures set forth in Exhibit I, attached hereto. Judgment on the arbitration award may be entered in any court having jurisdiction thereof. As used in this Section 12.1, the term "Excluded Claim" means a dispute, controversy or claim that concerns (i) the validity or infringement of a patent, trademark or copyright; or (ii) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory. For clarity, the foregoing dispute resolution mechanism shall not apply to any decision before the JSC, over which ZAI shall have the final decision making authority pursuant to Section 3.2(d).

12.2 Relationship of Parties. The relationship of the Parties hereto is that of independent contractors. Nothing in this Agreement is intended or will be deemed to constitute a partnership, agency, employer-employee or joint venture relationship between the Parties. No Party will incur any debts or make any commitments for the other, except to the extent, if at all, specifically provided therein. There are no express or implied third party beneficiaries hereunder.

12.3 Compliance with Law. Each Party will perform or cause to be performed any and all of its obligations or the exercise of any and all of its rights hereunder in good scientific manner and in compliance with all applicable law.

12.4 Governing Law. This Agreement and any dispute regarding the performance or breach hereof will be governed, interpreted and construed in accordance with the laws of [*], without respect to its conflict of laws rules.

12.5 Counterparts; Facsimiles. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. The execution and delivery of facsimile or PDF copies of this Agreement by the Parties will constitute a legal, valid and binding execution and delivery of this Agreement.

12.6 Headings. All headings in this Agreement are for convenience only and will not affect the meaning of any provision hereof.

12.7 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting party will not apply.

12.8 Interpretation. "Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Agreement in which any such word is used. References to any Articles or Sections include Articles, Sections and subsections that are part of the related Article or Section (e.g., a section numbered "Section 2.1" would be part of "Article 2", and references to "Section 2.1" would also refer to material contained in the subsection described as "Section 2.1(a)").

12.9 Binding Effect. This Agreement will inure to the benefit of and be binding upon the Parties and their respective lawful successors and assigns.

12.10 Assignment. This Agreement may not be assigned by either Party, nor may either Party delegate its obligations or otherwise transfer licenses or other rights created by this Agreement, except as expressly permitted hereunder or otherwise without the prior written consent of the other Party, which consent will not be unreasonably withheld, delayed or conditioned; provided that, without any requirement for consent, (i) ZAI may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its stock or assets or that portion of its business pertaining to the subject matter of this Agreement, and (ii) UCB may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its stock or assets or that portion of its business pertaining to the subject matter of this Agreement; provided, however, it is expressly understood and agreed that any such assignment shall not relieve ZAI of any of its obligations hereunder.

12.11 Notices. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly given upon the date of receipt if delivered by hand, recognized international overnight courier, confirmed facsimile transmission, or registered or certified mail, return receipt requested, postage prepaid to the following addresses or facsimile numbers:

If to UCB: UCB Biopharma Sprl
Allée de la Recherche, 60
1070 Brussels, Belgium
Attention: Anna Richo, General Counsel
Facsimile: [*]

If to ZAI: Zai Lab (Hong Kong) Limited
1000 Zhangheng Road, Building 65
Zhangjiang Hi-tech Park, Pudong New Area
Shanghai, China
Attn: Marietta Wu
Facsimile: [*]

With a copy to (which shall not constitute notice):

Cooley LLP
3175 Hanover Street
Palo Alto, CA 94303
USA
Attn: Lila Hope, Esq.
Facsimile: [*]

Either Party may change its designated address and facsimile number by notice to the other Party in the manner provided in this Section 12.11.

12.12 Amendment and Waiver. This Agreement may be amended or modified only by means of a written instrument signed by both Parties. The waiver by either Party hereto of any right hereunder, or of any failure of the other Party to perform, or of any breach by the other Party, shall only be effective if expressly made in writing. Any waiver of any rights or failure to act in a specific instance will relate only to such instance and will not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

12.13 Severability. In the event that any provision of this Agreement will, for any reason, be held to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect any other provision hereof, and the Parties will negotiate in good faith to modify this Agreement to preserve (to the extent possible) their original intent.

12.14 Entire Agreement. This Agreement is the sole agreement with respect to the subject matter and supersedes all other agreements and understandings between the Parties with respect to the same subject matter. The Exhibits to this Agreement are expressly incorporated herein by reference and shall be deemed a part of this Agreement.

12.15 Force Majeure. Failure of any Party to perform its obligations under this Agreement (except the obligation to make payments when properly due) shall not subject such Party to any liability or place them in breach of any term or condition of this Agreement to the other Party to the extent (and only to the

extent) that such failure is due to fire, explosion, flood, drought, war, terrorism, riot, sabotage, embargo, strikes or other labor trouble, failure of suppliers, a national health emergency, compliance with any order or regulation of any government entity acting with color of right, or any other cause beyond the reasonable control of such non-performing Party and which is not caused by the negligence, intentional conduct or misconduct of the non-performing Party (each such event or cause referred to as "force majeure"). The Party affected shall promptly notify the other Party of the condition constituting force majeure as defined herein and shall exert reasonable diligent efforts to eliminate, cure or overcome any such event of force majeure and to resume performance of its obligations with all possible speed. If a condition constituting force majeure as defined herein exists for more than ninety (90) consecutive days, the Parties shall meet to negotiate a mutually satisfactory resolution to the problem, if practicable. The foregoing notwithstanding, nothing herein shall require any Party to settle on terms unsatisfactory to such Party any strike, lock-out or other labor difficulty, any investigation or proceeding by any public authority or any litigation by any Third Party.

12.16 Further Actions. Each Party hereby agrees to execute, acknowledge and deliver such further instruments, and to do all other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement including, without limitation, any filings with any government antitrust agency which may be required.

{Remainder of this Page Intentionally Left Blank}

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

IN WITNESS WHEREOF, the Parties have caused this License Agreement to be executed by their respective duly authorized officers as of the Effective Date.

UCB BIOPHARMA SPRL

By: /s/ Mark McDade
(Signature)

Name: Mark McDade

Title: EVP, COO

Date: 17 Sept 2015

ZAI LAB (HONG KONG) LIMITED

By: /s/ Samantha Du
(Signature)

Name: Samantha Du

Title: CEO

Date: Sept 17, 2015

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit A

Development Plan

[*] (4 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit B

Structure of UCB3000

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit C

Technology Transfer

List of Materials:

Materials	Amount
[*]	[*]

Analytical Documentation:

Name	Short Title	Title	Status
[*]	[*]	[*]	[*]

Process/Formulation Development Documentation:

[*]	Document	Reference	Status
	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit D

UCB Compound Patents as of the Effective Date

[*] (8 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit E

UCB Format Patents as of the Effective Date

[*] (6 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit F

ZAI Background Patents as of the Effective Date

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit G

Sample Royalty Calculations

For the sake of clarity and by way of example, should Net Sales reach the amount of [*] during a calendar year, the applicable rates of Royalties shall be [*]% of the portion of Net Sales that are less than or equal to [*], [*]% on the portion of Net Sales that are comprised between [*] and [*] and [*]% on the portion of Net Sales that are in excess of [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit H

Press Release

Shanghai, China – 18 September 2015 – Zai Lab Ltd. announced today that it has entered into a worldwide collaboration and license agreement with UCB, a global biopharmaceutical leader (Euronext: UCB), to develop and commercialize a first-in-class monoclonal antibody against OX40 for the potential treatment of autoimmune and other inflammatory diseases. The product is a clinical candidate ready for Investigational New Drug (IND)-enabling studies and expected to enter clinical Phase 1 in 2016.

“We are excited to partner with UCB, a global leader in developing drugs to treat immunological diseases,” said Samantha Du, Zai Lab’s CEO. “By working together we wish to accelerate the development of new treatments that can potentially cure or slow the progression of devastating autoimmune diseases such as Graft-versus-Host Disease (GvHD) and Inflammatory Bowel Disease (IBD). UCB’s commitment and expertise in this field offers the best opportunity to collaboratively develop therapies to treat diseases that affect large patient populations or certain orphan diseases.”

Ismail Kola, UCB’s Chief Scientific Officer said: “Partnerships accelerate progress. While the knowledge and tools to tackle major health challenges have advanced, so too have their complexity. By bringing together Zai and UCB’s world class discovery teams we aim to create value and transform the lives of people with severe diseases.”

Under the terms of the agreement, Zai Lab will receive an exclusive, worldwide license to develop and commercialize the product in all indications. Zai Lab will lead all future clinical development, regulatory activities and commercialization. In addition to an upfront payment, UCB will receive potential development, regulatory and sales-based milestone payments and tiered royalties on net sales of the licensed product.

About Zai Lab

ZAI Lab is a leading biotech company based in China focused on discovering and developing innovative medicines for unmet medical needs globally. The company is building a strong portfolio of therapeutic programs aimed at transforming patients’ lives. Zai Lab has a world class leadership team with deep experience at global pharmaceutical and biotech organizations. The team has a strong track record of success – successfully taken five novel drug candidates into clinical trials in China, pioneered new regulatory channels, secured regulatory approvals in record times, conducted multiple IND trials in the US, and brought the first China discovered drug into Global Phase III trials. Zai Lab is committed to build a globally leading drug research and development powerhouse with a culture of excellence and teamwork and a strong focus on fostering innovation and creativity. For more information, please visit www.zailaboratory.com

About UCB

UCB, Brussels, Belgium (www.ucb.com) is a global biopharmaceutical company focused on the discovery and development of innovative medicines and solutions to transform the lives of people living with severe diseases of the immune system or of the central nervous system. With more than 8500 people in approximately 40 countries, the company generated revenue of € 3.3 billion in 2014. UCB is listed on Euronext Brussels (symbol: UCB). Follow us on Twitter: @UCB_news

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit I

Dispute Resolution

Arbitration Proceedings

1. The arbitration shall be conducted by a panel of three (3) persons experienced in the pharmaceutical business. Within thirty (30) days after initiation of an arbitration, each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within thirty (30) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the [*]. The place of arbitration shall be [*], and all proceedings and communications shall be in English.

2. Either Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award. The arbitrators shall have no authority to award any damages excluded by Section 10.4. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees of arbitration.

3. Except to the extent necessary to confirm an award or as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the dispute, controversy or claim would be barred by the applicable [*] statute of limitations.

4. The Parties agree that, in the event of a good faith dispute over the nature or quality of performance under this Agreement, neither Party may unilaterally terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. The Parties further agree that any payments made pursuant to this Agreement pending resolution of the dispute shall be refunded if an arbitrator or court determines that such payments are not due.

5. During the pendency of any arbitration the Parties shall continue to perform their respective obligations under this Agreement. To the extent that such performance involves any matter which is the subject of the dispute, claim or controversy being arbitrated, the Parties shall continue performance of such matter under this Agreement in such a manner as to the fullest extent possible maintain the status quo of the Parties with respect to the disputed matter.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.