

**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549****FORM F-1**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933****NIO Inc.**

(Exact name of Registrant as specified in its charter)

Not Applicable  
(Translation of Registrant's name into English)Cayman Islands  
(State or other jurisdiction of  
incorporation or organization)3711  
(Primary Standard Industrial  
Classification Code Number)Not Applicable  
(I.R.S. Employer  
Identification Number)Building 20, No. 56 AnTuo Road, Jiading District  
Shanghai, 201804  
People's Republic of China  
+86 21 6908 3306  
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)Puglisi & Associates  
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+852-2912-2500**Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.**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	Proposed maximum aggregate offering price <sup>(2)(3)</sup>	Amount of registration fee
Class A ordinary shares, par value US\$0.00025 per share <sup>(1)</sup>	US\$1,800,000,000	US\$224,100

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

(2) Includes Class A ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

**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 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.**

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

## American Depositary Shares



*NIO Inc.*

*Representing Class A Ordinary Shares*

NIO Inc. is offering                      American depositary shares, or ADSs. This is our initial public offering and no public market exists for our ADSs or ordinary shares. Each ADS represents                      of Class A ordinary shares, par value US\$0.00025 per share. We anticipate that the initial public offering price per ADS will be between US\$                      and US\$                     .

*We are an “emerging growth company” under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.*

*Investing in our ADSs involves risks. See “[Risk Factors](#)” beginning on page 14.*

	<i>PRICE US\$</i>	<i>PER ADS</i>		
			<i>Underwriting Discounts and Commissions(l)</i>	<i>Proceeds to us</i>
<i>Per ADS</i>	<i>US\$</i>	<i>Price to Public</i>	<i>US\$</i>	<i>US\$</i>
<i>Total</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>

*We have granted the underwriters the right to purchase up to an additional ADSs to cover over-allotments at the initial public offering price less the underwriting discounts and commissions.*

*Following the completion of this offering, our outstanding share capital will consist of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares. Mr. Bin Li, our chairman and chief executive officer, together with his affiliates, will beneficially own all of our issued Class C ordinary shares and will be able to exercise approximately      % of the total voting power of our issued and outstanding share capital immediately following the completion of this offering, assuming that the underwriters do not exercise their over-allotment option. The Tencent entities (as defined herein) will beneficially own all of our issued Class B ordinary shares and will be able to exercise approximately      % of the total voting power of our issued and outstanding share capital immediately following the completion of this offering, assuming that the underwriters do not exercise their over-allotment option. Holders of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares have the same rights other than voting and conversion rights. Each holder of Class A ordinary shares is entitled to one vote per share, each holder of our Class B ordinary shares is entitled to four votes per share and each holder of our Class C ordinary shares is entitled to eight votes per share on all matters submitted to them for a vote. Our Class A ordinary shares, Class B ordinary shares and Class C ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Each Class B ordinary share and Class C ordinary share is convertible into one Class A ordinary share, whereas Class A ordinary shares are not convertible into Class B ordinary shares or Class C ordinary shares under any circumstances.*

*The underwriters expect to deliver the ADSs to purchasers on \_\_\_\_\_, 2018.*

Morgan Stanley

*Goldman Sachs (Asia) L.L.C.*

*J.P. Morgan*

*BofA Merrill  
Lynch*

Deutsche Bank  
Securities

Citigroup

Credit Suisse

UBS Investment  
Bank

*Wolfe Capital Markets and Advisory*

, 2018.

To shape a **joyful lifestyle**

by offering premium smart electric vehicles  
and being the best user enterprise



Our Cars



Our Community



Interiors



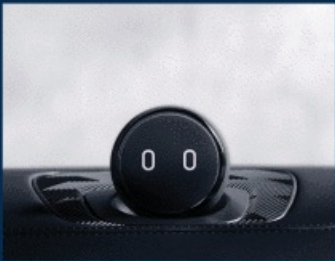
NIO House



NIO Life



NIO APP



NOMI



NIO Pilot



NIO Power

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You should rely only on the information contained in this prospectus or in any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus or in any related free writing prospectus. We are offering to sell, and seeking offers to buy, the ADSs, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ADSs.

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until , 2018 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

## LETTER FROM BIN LI

Dear Investors,

NIO, which translates to “Blue Sky Coming” in its Chinese name, originated from our vision of a future filled with blue skies. We believe that improved smart electric car technologies, coupled with better experience of car ownership, will drive increased appreciation and adoption of smart electric cars, leading to the fulfillment of our vision of blue skies and a more sustainable future for our planet.

NIO was founded at a time when the world has been experiencing what may be the most significant technological change in the more than 100 years’ development of the automotive industry. Increasingly sophisticated technologies such as autonomous driving, electric car technology, artificial intelligence, and cloud services are reshaping the automotive industry. We believe that these innovative technologies will not only relieve drivers from the monotony of their daily commutes, but will also make cars safer and more environmentally friendly and transform the car into a mobile living space, ultimately becoming a broader part of a user’s lifestyle. We believe that technological advances will reignite enthusiasm and passion toward automobiles.

Witnessing this time of technological change in the automotive industry, NIO’s founding investors and management team decided to participate as a driving and leading force. As a global start-up, thousands of our colleagues in China, the U.S. and Europe have made great achievements over the past three years that we are very proud of. We were the title sponsor for the winning driver in the first Formula E season in 2015; our EP9 supercar broke the record as the fastest all-electric car at the Nürburgring Nordschleife “Green Hell” track in Germany in May 2017; we launched our first volume manufactured vehicle, a high-performance and intelligent electric SUV, the ES8, and are currently scaling up deliveries to users; and we have developed our NIO Pilot ADAS system and NOMI assistant, showcasing our application of the latest automated assisted driving and artificial intelligence technologies in mass-production cars. Our team is not only visionary in its technological development, but also has the ability to execute on our vision and turn it into reality through strong execution.

Product excellence is just the beginning for NIO. What users want is a holistic experience exceeding expectations. We expect that the ownership of cars will be redefined by a new experience with respect to cars, services, digital connections and the experience beyond the car. Technological advances will not only reshape automotive products, but also connect cars, smart devices, infrastructure, service providers and users, making a more efficient and innovative user experience possible. Making use of this architectural framework, NIO offers one-stop care-free services to users. NIO Power aspires to provide convenient electric charging services so that eventually users may enjoy a level of convenience similar to or better than fuel charging, and NIO Service is designed to free users from hassles related to insurance, repair, and general car usage. We provide outstanding in-car software and connectivity systems, and also connect cars, services and users with our NIO mobile application efficiently and cohesively. Our NIO Life offers distinct accessories and merchandise. We collaborate with Tencent to deliver a high quality in-car music streaming experience, and partner with JD.com for delivery services directly to and from our cars. Our objective is not just to provide care-free services, but more importantly to shape a joyful lifestyle with users.

Technological advances enable us to offer excellent products and services and also to streamline connections between us and users as well as among users. We aim to develop NIO into a community starting with cars and growing with our users. Through our NIO mobile application, hundreds of thousands of people are connecting with each other or sharing moments, while our NIO Houses offline have become an increasingly popular destination to gather and share for our users. Our innovative NIO Day, among other NIO events, was well received by our users. Through these interactive experiences, we are building trust and providing unique experiences to our users, and NIO, as a community, is gaining increasing vibrancy.

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Our users' passion and support has inspired me to think further about creating a deeper connection between NIO and our users. After long and careful consideration, I plan to transfer 50 million NIO shares beneficially owned by me, which account for approximately one third of all my beneficially owned NIO shares, to a trust at an appropriate time in the future. While I will retain the voting rights of the shares to be transferred to the trust, I will let NIO users discuss and propose how to use the economic benefits from these shares, through certain mechanisms to be implemented in the future. I believe this trust arrangement further advances NIO's pursuit of our original aspiration of becoming a user enterprise and will also deepen our relationship with users. I also believe NIO users, shareholders, employees, and partners will all benefit from this arrangement in the long run.

To deliver superb products, an experience beyond expectations, and create a harmonious and vibrant community, we need good values to motivate and unite our teams around the world. In the early days of NIO, my colleagues from all over the world went through a series of discussions and came up with the following corporate values for our company:

**Honesty:** We value truthfulness, integrity and clarity in everything we do. This allows us to be open, be sincere and share our thoughts openly with our stakeholders.

**Care:** We are deeply passionate about what we do. We strive to build strong, natural relationships that last, and we want this spark to energize everyone around us, which enables us to enjoy our journey together. We care, listen, and share our thoughts because we treat each of our users as if the user were ourselves.

**Vision:** We go where others will not – fundamentally disrupting the industry with the aim of creating value for our users. We think big and visualize opportunities by embracing new ways of thinking, working and communicating.

**Action:** We are empowered to act – doing only what we believe in and building trust by executing on our vision. We move quickly and with purpose – actively anticipating the needs of our users and creating opportunities for our business.

Since our inception, these values have helped us overcome challenges in team integration, make more users trust us as a visionary and reliable friend, and earn the trust of our shareholders and full support from our partners. I believe these values will guide us throughout our growth path in the future.

The automobile has been one of the most important products in people's lives for more than a century. As we look to the future, innovative technologies will bring to us better experiences, higher satisfaction and expanded possibilities. Despite potential challenges that we may face, I believe future cars will make the world a better place. It is an honor for NIO to participate in the automobile industry transformation. We look forward to driving onto this new journey with you.

Bin Li  
Founder, Chairman and Chief Executive Officer

## PROSPECTUS SUMMARY

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under “Risk Factors,” before deciding whether to invest in our ADSs. This prospectus contains information from an industry report commissioned by us and prepared by Frost & Sullivan, an independent research firm, to provide information regarding our industry and our market position in China and globally. We refer to this report as the “Frost & Sullivan Report.”*

### Our Mission

Our mission is to shape a joyful lifestyle by offering premium smart electric vehicles and being the best user enterprise.

### Overview

We are a pioneer in China’s premium electric vehicle market. We design, jointly manufacture, and sell smart and connected premium electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving and artificial intelligence. Redefining user experience, we aim to provide users with comprehensive, convenient and innovative charging solutions and other user-centric service offerings. Our Chinese name, Weilai (蔚来), which means Blue Sky Coming, reflects our commitment to a more environmentally friendly future.

The first model we developed was the EP9 supercar, introduced in 2016. The EP9 set a world record as the then fastest all-electric car on the track at the Nürburgring Nordschleife “Green Hell” track in Germany in May 2017, finishing a lap in 6 minutes and 45.90 seconds. Combined with an attractive design and strong driving performance, the EP9 delivers extraordinary acceleration and best-in-class electric powertrain technology, helping position us as a premium brand.

We launched our first volume manufactured electric vehicle, the ES8, to the public at our NIO Day event on December 16, 2017 and began making deliveries to users on June 28, 2018. The ES8 is a 7-seater all aluminum alloy body, premium electric SUV that offers exceptional performance, functionality and mobility lifestyle. It is equipped with our proprietary electric powertrain system, which is capable of accelerating from zero to 100 km per hour in 4.4 seconds and delivering a New European Driving Cycle, or NEDC, driving range of up to 355 km and a maximum range of up to 500 km in a single charge. As of July 31, 2018, we had delivered 481 ES8s and had unfulfilled reservations for more than 17,000 ES8s with deposits. Of these reservations, approximately 12,000 consisted of reservations for which only an initial fully refundable deposit of RMB5,000 had been made. Upon signing of a purchase agreement, which is required prior to a vehicle entering into production, the initial RMB5,000 deposit becomes non-refundable and the user must pay an additional RMB40,000 non-refundable deposit. As of May 31, June 30 and July 31, 2018, we had unfulfilled reservations for 1,401, 3,186 and 4,989 ES8s, respectively, for which non-refundable deposits had been made.

We plan to launch our second volume manufactured electric vehicle, the ES6, by the end of 2018 and start initial deliveries in the first half of 2019. The ES6 is a 5-seater, high-performance premium electric SUV, set at a lower price point than the ES8 to target a broader customer base.

We aim to create the most worry-free experience for our users, online or offline, at home or on-the-go. In response to common concerns over the accessibility and convenience of EV charging, we offer a comprehensive, convenient and innovative suite of charging solutions. These solutions include Power Home, our home charging



solution, Power Swap, our innovative battery swapping service, Power Mobile, our mobile charging service through charging trucks, and Power Express, our 24-hour on-demand pick-up and drop-off charging service. In addition, our vehicles are compatible with China's national charging standards and have access to a nationwide publicly accessible charging network of over 214 thousand public charging piles, 59.6% of which are superchargers. Beyond charging solutions, we offer comprehensive value-added services to our users, such as statutory and third-party liability insurance and car damage insurance through third-party insurers, repair and routine maintenance services, courtesy car during lengthy repairs and maintenance, nationwide roadside assistance, as well as an enhanced data package. We believe these solutions and services, together, will create a holistic user experience throughout the vehicle lifecycle.

The electric powertrain technologies we developed for the EP9 set the technological foundation for the development of our vehicles, from the ES8, to the planned ES6 and to other future models. Our electric powertrain consists of three key sub-systems: an electric drive system, or EDS, an energy storage system, or ESS, and a vehicle intelligence control system, or VIS. Our electric powertrain reflects our cutting-edge proprietary technologies and visionary engineering in our EV design.

We are a pioneer in automotive smart connectivity and enhanced Level 2 autonomous driving. NOMI, which we believe is one of the most advanced in-car AI assistants developed by a Chinese company, is a voice activated AI digital companion that personalizes the user's driving experience. NIO Pilot, our proprietary enhanced Level 2 ADAS system, is enabled by 23 sensors and equipped with the Mobileye EyeQ®4 ADAS processor, which is eight times more powerful than its predecessor.

We have significant in-house capabilities in the design and engineering of electric vehicles, electric vehicle components and software systems. We have strategically located our teams in locations where we believe we have access to the best talent. Our strong design, engineering and research and development capabilities enable us to launch smart and connected premium electric vehicles that are customized for, and thus appealing to, Chinese consumers. In addition, our research and development efforts also have resulted in an extensive intellectual property portfolio that we believe differentiates us from our competitors.

We adopt an innovative sales model compared to incumbent automobile manufacturers. We sell our vehicles through our own sales network, including NIO Houses and our mobile application. NIO Houses are not only the showrooms for our vehicles, but also clubhouses for our users with multiple social functions. Prospective users can place orders using our mobile application and more importantly, our mobile application fosters a dynamic and interactive online platform. We believe our online and offline integrated community which is developing from our NIO Houses and mobile application will retain user engagement and cultivate loyalty to our brand, along with other successful branding activities such as our annual NIO Day and our championship winning Formula E team.

#### **Market Opportunities**

China is the world's largest passenger vehicle market. The premium segment in this largest market continues to take market share from the entry and mid-range segments, and is expected to continue to grow at a compound annual growth rate, or CAGR, of 12.4% from 2017 to 2022, according to Frost & Sullivan. The SUV segment in China is also expected to outpace industry growth for the next five years, reaching 16.9 million units in 2022, representing a CAGR of 9.4% during the same period.

China is also the largest new energy vehicle, or NEV, market in the world and continues to account for more than half of global battery electric vehicle, or BEV, sales. China's BEV sales are expected to experience more than 40% annualized growth until 2022, according to Frost & Sullivan. We are targeting the premium BEV segment in order to take advantage of the growth opportunities in that segment and our first two vehicles, ES8 and ES6, specifically target the premium SUV segment.

### ***China is a clear leader in the global NEV market and notably skewed to BEVs***

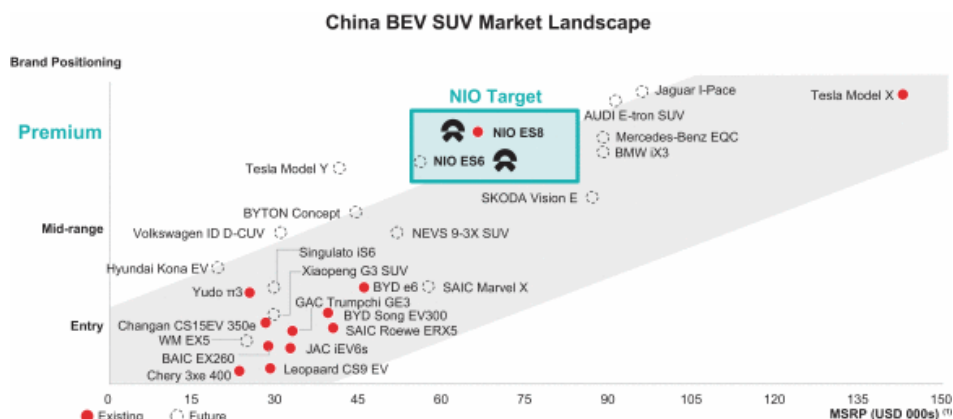
The Chinese NEV market benefits from favorable policies and strong government support. China's NEV market has outperformed the global NEV market significantly, growing at a CAGR of 141.5% from approximately 21.8 thousand units in 2013 to 741.9 thousand units in 2017, according to Frost & Sullivan. During the same period, global NEV sales recorded a CAGR of 16.2%. China is expected to continue to lead the growth of the global NEV market, reaching 3.6 million units in 2022, growing at a CAGR of 37.1% from 2017 to 2022.

NEVs generally include three types: BEVs, hybrid electric vehicles, or HEVs, and plug-in hybrid electric vehicles, or PHEVs. Among these, the BEV is considered the most eco-friendly as a zero emission solution. Recognizing these benefits, the Chinese government favors BEVs to other NEVs and provides BEVs greater incentives. With battery technology improving and charging network expanding, consumer concern over driving range has also lessened, which is another factor contributing to the BEV market growth.

As a result, BEVs have witnessed the fastest growth among all NEV types in the past five years, growing from 13 thousand units in 2013 to 476 thousand units in 2017 at a CAGR of 147.9% in China, as compared to 68.2% in the global market. China had the highest share of BEVs as percentage of NEVs at 64.1% as compared to 27.3 % for the global market in 2017. China has become the largest BEV market globally, accounting for approximately 54.3% of the overall global BEV market in 2017. Frost & Sullivan predicts that over 2.6 million BEVs are expected to be sold in China in 2022, accounting for 64.6% of the global BEV market. During the period from 2017 to 2022, the sales volume of BEVs is expected to grow at a CAGR of 40.8% in China.

### ***Largely unserved premium EV market in China***

Among the top 10 BEV brands with the highest sales volumes in 2017, only Tesla was in the premium segment, while the other nine brands were in the entry segment and the average prices post subsidies of those other nine brands were all below RMB170,000, representing a largely unserved premium EV market in China. The following chart shows the China BEV SUV market landscape:



Note:(1) Manufacturer suggested retail price pre subsidies  
Source: Frost & Sullivan Report

As the above chart indicates, the ES8 boasts price advantages over the imported premium models, such as Tesla Model X due to cost advantages from localized manufacturing, purchase subsidies and the absence of customs duties and purchasing taxes. Currently we believe no premium BEV is available to Chinese consumers at competitive pricing and the ES8 is expected to face limited competition initially from premium BEVs.

**Our Competitive Strengths**

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

- Pioneer in China's premium EV market;
- Redefining EV experience with cutting-edge proprietary technology, visionary engineering and smart connectivity;
- Revolutionary and comprehensive charging solutions;
- User enterprise advocating a unique and holistic mobility lifestyle;
- Strategic partnerships with global best-in-class technology and industrial leaders; and
- World-class management, global talent pool and tech savvy investor base.

**Our Strategies**

We plan to pursue the following growth strategies to expand our business:

- Successfully launch future models such as the ES6 timely to target a broader customer base and expand our product lineup;
- Build our own manufacturing capacity and continue to optimize manufacturing costs by leveraging a common platform and production flexibility;
- Expand our infrastructure and service coverage nationwide to improve user experience;
- Continue to focus on technological innovation; and
- Create more monetization opportunities during the lifetime ownership.

**Our Challenges**

We face risks and uncertainties in realizing our business objectives and executing our strategies, including those relating to:

- Our ability to develop and manufacture a car of sufficient quality and appeal to customers on schedule and on a large scale is unproven and still evolving;
- Our ability to grow manufacturing in collaboration with partners;
- Our ability to manufacture, launch and sell electric vehicles meeting customer expectations;
- Our ability to provide convenient charging solutions to our customers;
- Our ability to satisfy the mandated safety standards relating to motor vehicles;
- Our ability to secure supply of raw materials or other components used in our vehicles;

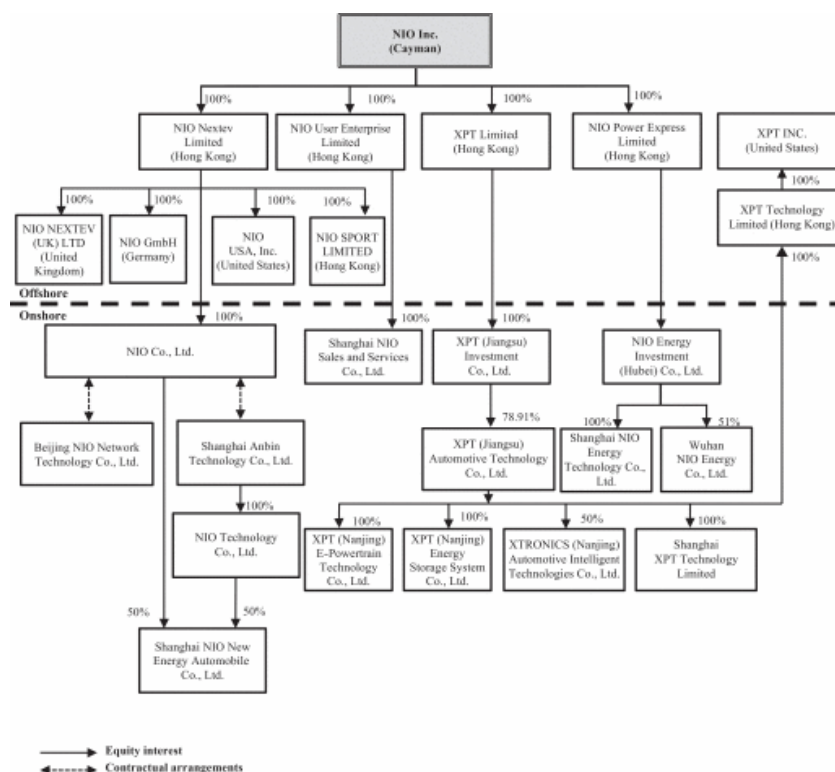
- Our ability to secure sufficient reservations and sales of the ES8;
- Our ability to control costs associated with our operations;
- Our ability to build our NIO brand; and
- Our ability to recruit, train and retained dedicated executive officers, key employees and qualified personnel.

**Corporate History and Structure**

We were founded in November 2014, as NextCar Inc., and changed our name to NIO Inc. in July 2017. We conduct our operations through our subsidiaries in China, the United States, Germany and the United Kingdom.

In April 2018, we entered into a series of contractual arrangements with Shanghai Anbin Technology Co., Ltd. and Beijing NIO Network Technology Co., Ltd., our VIEs, and their shareholders, to conduct certain future operations in China. In the future, we expect that our in-house vehicle manufacturing will be carried out primarily by Shanghai NIO New Energy Automobile Co., Ltd., or NIO New Energy, which is controlled by us through Shanghai Anbin Technology Co., Ltd. and/or its subsidiaries and we expect Beijing NIO Network Technology Co., Ltd. or Beijing NIO, will focus on value-added telecommunications services, including without limitation, performing internet services, operating our website and mobile application as well as holding certain related licenses. See “Corporate History and Structure.”

The chart below summarizes our corporate structure and identifies our significant subsidiaries, our VIEs and their significant subsidiaries, as of the date of this prospectus:



### Implications of Being an Emerging Growth Company

As a company with less than US\$1.07 billion in revenue for our last fiscal year, we qualify as an “emerging growth company” pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of (a) the last day of the fiscal year during which we have total annual gross revenues of at least US\$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the preceding three-year period, issued more than US\$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a “large accelerated filer” under the Securities Exchange Act of 1934, as amended, or the

Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US\$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

### **Corporate Information**

Our principal executive offices are located at Building 20, No. 56 AnTuo Road, Jiading District, Shanghai, 201804, People's Republic of China. Our telephone number at this address is +86 21 6908 3306. Our registered office in the Cayman Islands is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our main website is [www.nio.com](http://www.nio.com). The information contained on our website is not a part of this prospectus. Our agent for service of process in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711.

### **Conventions that Apply to this Prospectus**

Unless otherwise indicated or the context otherwise requires, references in this prospectus to:

- “ADAS” are to advanced driver assistance system;
- “ADSs” are to our American depositary shares, each of which represents                      Class A ordinary shares;
- “AI” are to artificial intelligence;
- “BEV” are to battery electric passenger vehicles;
- “China” or the “PRC” are to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;
- “Class A ordinary shares” are to our Class A ordinary shares, par value US\$0.00025 per share;
- “Class B ordinary shares” are to our Class B ordinary shares, par value US\$0.00025 per share;
- “Class C ordinary shares” are to our Class C ordinary shares, par value US\$0.00025 per share;
- “EV” are to electric passenger vehicles;
- “FOTA” are to firmware over-the-air;
- “ICE” are to internal combustion engine;
- “NEV” are to new energy passenger vehicles;
- “NIO” “we,” “us,” “our company” and “our” are to NIO Inc., our Cayman Islands holding company and its subsidiaries, its consolidated variable interest entities and the subsidiaries of the consolidated variable interest entities;
- “Ordinary shares” are to our ordinary shares, par value US\$0.00025 per share, and upon and after the completion of this offering, are to our Class A ordinary shares, Class B ordinary shares and Class C ordinary shares, par value US\$0.00025 per share;
- “RMB” and “Renminbi” are to the legal currency of China; and
- “US\$,” “U.S. dollars,” “USD,” “\$,” and “dollars” are to the legal currency of the United States.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their over-allotment option.

THE OFFERING	
Offering price	We currently estimate that the initial public offering price will be between US\$ and US\$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
ADSs outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
Ordinary shares outstanding immediately after this offering	<p>We have adopted a triple-class ordinary share structure. A total of ordinary shares, comprised of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares (or ordinary shares if the underwriters exercise their over-allotment option in full, comprised of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares). Class B ordinary shares issued and outstanding immediately after the completion of this offering will represent % of our total issued and outstanding shares and % of the then total voting power (or % of our total issued and outstanding shares and % of the then total voting power if the underwriters exercise their over-allotment option in full). Class C ordinary shares issued and outstanding immediately after the completion of this offering will represent % of our total issued and outstanding shares and % of the then total voting power (or % of our total issued and outstanding shares and % of the then total voting power if the underwriters exercise their over-allotment option in full).</p>
The ADSs	<p>Each ADS represents Class A ordinary shares, par value US\$0.00025 per share.</p> <p>The depositary will hold Class A ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time.</p> <p>We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement.</p> <p>You may surrender your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange.</p>

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	<p>We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.</p> <p>To better understand the terms of the ADSs, you should carefully read the “Description of American Depositary Shares” section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.</p>
Over-allotment option	<p>We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of                      additional ADSs.</p>
Use of proceeds	<p>We expect that we will receive net proceeds of approximately US\$                      million from this offering, assuming an initial public offering price of US\$                      per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering for (i) research and development of products, services and technology, (ii) selling and marketing and development of sales channels, including NIO Houses, (iii) development of our manufacturing facilities and the roll-out of our supply chain, and (iv) general corporate purposes and working capital. See “Use of Proceeds” for more information.</p>
Lock-up	<p>[We, our directors, executive officers and all of our existing shareholders have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus.] See “Shares Eligible for Future Sale” and “Underwriting.”</p>
Directed Share Program	<p>At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the ADSs offered in this offering to some of our directors, officers, employees and other individuals associated with us and members of their families through a directed share program.</p>
Listing	<p>We have applied to have the ADSs listed on the New York Stock Exchange under the symbol “NIO.” Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.</p>
Payment and settlement	<p>The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depositary Trust Company on                      , 2018.</p>
Depositary	<p>Deutsche Bank Trust Company Americas.</p>



### SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of comprehensive loss and cash flow data for the years ended December 31, 2016 and 2017, and summary consolidated balance sheet data as of December 31, 2016 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of comprehensive loss and cash flow data for the six months ended June 30, 2017 and 2018, and summary consolidated balance sheet data as of June 30, 2018 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Consolidated Financial and Operating Data section together with our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus.

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
(in thousands, except for shares and per share data)						
<b>Summary Consolidated Statements of Comprehensive</b>						
<b>Loss:</b>						
Revenue:						
Vehicle sales	—	—	—	—	44,399	6,710
Other sales	—	—	—	—	1,592	241
<b>Total revenues</b>	—	—	—	—	45,991	6,951
Cost of sales:						
Vehicle sales	—	—	—	—	(185,531)	(28,038)
Other sales	—	—	—	—	(13,648)	(2,063)
<b>Total cost of sales</b>	—	—	—	—	(199,179)	(30,101)
Gross loss	—	—	—	—	(153,188)	(23,150)
Operating expenses: <sup>(1)</sup>						
Research and development <sup>(1)</sup>	(1,465,353)	(2,602,889)	(393,358)	(1,031,253)	(1,459,344)	(220,541)
Selling, general and administrative <sup>(1)</sup>	(1,137,187)	(2,350,707)	(355,247)	(964,363)	(1,726,297)	(260,884)
<b>Total operating expenses</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,185,641)	(481,425)
<b>Loss from operations</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,338,829)	(504,575)
Interest income	27,556	18,970	2,867	4,730	49,565	7,490
Interest expenses	(55)	(18,084)	(2,733)	(12,681)	(19,642)	(2,968)
Share of losses of equity investee	—	(5,375)	(812)	(2,986)	(7,358)	(1,112)
Investment income	2,670	3,498	529	1,991	—	—
Other income/(loss), net	3,429	(58,681)	(8,869)	(11,635)	(4,897)	(740)
<b>Loss before income tax expense</b>	(2,568,940)	(5,013,268)	(757,623)	(2,016,197)	(3,321,161)	(501,905)
Income tax expense	(4,314)	(7,906)	(1,195)	(4,325)	(4,368)	(660)
<b>Net loss</b>	(2,573,254)	(5,021,174)	(758,818)	(2,020,522)	(3,325,529)	(502,565)
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)	(1,139,341)	(6,744,283)	(1,019,220)
<b>Net loss attributable to non-controlling interests</b>	36,938	36,440	5,507	29,271	15,278	2,309

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands, except for shares and per share data)					
<b>Net loss attributable to ordinary shareholders of NIO Inc.</b>	<u>(3,517,549)</u>	<u>(7,561,669)</u>	<u>(1,142,747)</u>	<u>(3,130,592)</u>	<u>(10,054,534)</u>	<u>(1,519,476)</u>
<b>Net loss</b>	<u>(2,573,254)</u>	<u>(5,021,174)</u>	<u>(758,818)</u>	<u>(2,020,522)</u>	<u>(3,325,529)</u>	<u>(502,565)</u>
<b>Other comprehensive loss</b>						
Foreign currency translation adjustment, net of nil tax	55,493	(124,374)	(18,796)	(29,678)	(153,155)	(23,145)
<b>Total other comprehensive income/(loss)</b>	<u>55,493</u>	<u>(124,374)</u>	<u>(18,796)</u>	<u>(29,678)</u>	<u>(153,155)</u>	<u>(23,145)</u>
<b>Total comprehensive loss</b>	<u>(2,517,761)</u>	<u>(5,145,548)</u>	<u>(777,614)</u>	<u>(2,050,200)</u>	<u>(3,478,684)</u>	<u>(525,710)</u>
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)	(1,139,341)	(6,744,283)	(1,019,220)
Net loss attributable to non-controlling interests	36,938	36,440	5,507	29,271	15,278	2,309
<b>Comprehensive loss attributable to ordinary shareholders of NIO Inc.</b>	<u>(3,462,056)</u>	<u>(7,686,043)</u>	<u>(1,161,543)</u>	<u>(3,160,270)</u>	<u>(10,207,689)</u>	<u>(1,542,621)</u>
<b>Weighted average number of ordinary shares used in computing net loss per share</b>						
Basic and diluted	16,697,527	21,801,525	21,801,525	20,141,298	28,661,459	28,661,459
<b>Net loss per share attributable to ordinary shareholders</b>						
Basic and diluted	(210.66)	(346.84)	(52.42)	(155.43)	(350.80)	(53.01)
Note:						
(1) Share-based compensation was allocated in operating expenses as follows:						
	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
Research and development expenses	14,484	23,210	3,508	10,900	12,418	1,877
Selling, general and administrative expenses	62,200	67,086	10,138	24,938	93,146	14,076
<b>Total</b>	<u>76,684</u>	<u>90,296</u>	<u>13,646</u>	<u>35,838</u>	<u>105,564</u>	<u>15,953</u>

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The following table presents our summary consolidated balance sheet data as of December 31, 2016 and 2017 and June 30, 2018.

	As of December 31,			As of June 30,					
	2016		2017	2018					
				Actual		Pro Forma(1)		Pro Forma As Adjusted(2)	
	RMB	RMB	US\$	RMB	US\$	RMB	US\$	RMB	US\$
(in thousands, except for shares data)									
<b>Selected Consolidated Balance Sheet Data:</b>									
Cash and cash equivalents	581,296	7,505,954	1,134,327	4,423,234	668,455	4,423,234	668,455		
Restricted cash	—	10,606	1,603	20,092	3,036	20,092	3,036		
Property, plant and equipment, net	833,004	1,911,013	288,799	3,189,004	481,934	3,189,004	481,934		
Total assets	1,770,478	10,468,034	1,581,967	10,276,097	1,552,960	10,276,097	1,552,960		
Total liabilities	825,264	2,402,028	363,004	4,433,062	669,939	4,234,268	639,898		
Total mezzanine equity	4,861,574	19,657,786	2,970,755	27,605,620	4,171,861	1,124,900	169,999		
Total shareholders' (deficit)/equity	(3,916,360)	(11,591,780)	(1,751,792)	(21,762,585)	(3,288,840)	4,916,929	743,063		
Total shares outstanding	17,773,459	23,850,343	23,850,343	31,540,943	31,540,943	851,041,978	851,041,978		

Notes:

- (1) The consolidated balance sheet data as of June 30, 2018 are adjusted on a pro forma basis to give effect to the automatic conversion of all of our outstanding ordinary shares and preferred shares into 851,041,978 ordinary shares immediately prior to the completion of this offering.
- (2) The consolidated balance sheet data as of June 30, 2018 are adjusted on a pro forma as adjusted basis to give effect to (i) the automatic conversion of all of our outstanding ordinary shares and preferred shares into 851,041,978 ordinary shares immediately prior to the completion of this offering; and (ii) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an initial public offering price of US\$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the over-allotment option.

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The following table presents our summary consolidated cash flow data for the years ended December 31, 2016 and 2017 and the six months ended June 30, 2017 and 2018.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
<b>Summary Consolidated Cash Flow Data:</b>						
Net cash used in operating activities	(2,201,564)	(4,574,719)	(691,349)	(2,132,644)	(3,634,780)	(549,301)
Net cash provided by/(used in) investing activities	117,843	(1,190,273)	(179,879)	(1,721,738)	(1,153,962)	(174,391)
Net cash provided by financing activities	2,292,704	12,867,334	1,944,558	4,694,897	1,897,832	286,808
Effects of exchange rate changes on cash and cash equivalents	40,539	(168,120)	(25,407)	(18,567)	(160,219)	(24,214)
Net increase/(decrease) in cash and cash equivalents	249,522	6,934,222	1,047,923	821,948	(3,051,129)	(461,098)
Cash, cash equivalents and restricted cash at beginning of the year/period	347,109	596,631	90,167	596,631	7,530,853	1,138,090
Cash, cash equivalents and restricted cash at end of the year/period	<u>596,631</u>	<u>7,530,853</u>	<u>1,138,090</u>	<u>1,418,579</u>	<u>4,479,724</u>	<u>676,992</u>

## RISK FACTORS

*An investment in our ADSs involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.*

### Risks Relating to Our Business

***Our ability to develop and manufacture a car of sufficient quality and appeal to customers on schedule and on a large scale is unproven and still evolving.***

Our future business depends in large part on our ability to execute on our plans to develop, manufacture, market and sell our electric vehicles. We plan to manufacture our vehicles in higher volumes than our present production capabilities in strategic collaboration with a Chinese manufacturer and in the future at our planned manufacturing plants in China.

Our continued development and manufacturing of our first volume manufactured vehicle, the ES8, and our future vehicles are and will be subject to risks, including with respect to:

- our ability to secure necessary funding;
- the equipment we use being able to accurately manufacture the vehicle within specified design tolerances;
- compliance with environmental, workplace safety and similar regulations;
- securing necessary components on acceptable terms and in a timely manner;
- delays in delivery of final component designs to our suppliers;
- our ability to attract, recruit, hire and train skilled employees;
- quality controls, particularly as we plan to eventually commence our own manufacturing in-house;
- delays or disruptions in our supply chain; and
- other delays and cost overruns.

We began making deliveries of the ES8 in June 2018. We do not expect to deliver our second planned vehicle, the ES6, until the first half of 2019, and we may not successfully develop the ES6. Our vehicles may not meet customer expectations and our future models, including the ES6, may not be commercially viable.

Historically, automobile customers have expected car manufacturers to periodically introduce new and improved vehicle models. In order to meet these expectations, we may be required to introduce new vehicle models and enhanced versions of existing vehicle models. To date we have limited experience designing, testing, manufacturing, marketing and selling our electric vehicles and therefore cannot assure you that we will be able to meet customer expectations.

Any of the foregoing could have a material adverse effect on our results of operations and growth prospects.

***We have negative cash flows from operation, have only recently started to generate revenues and have not been profitable, all of which may continue in the future.***

We have only recently started to generate revenues and have not been profitable since our inception. We incurred net losses of RMB2,573.3 million, RMB5,021.2 million (US\$758.8 million) and RMB3,325.5 million

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(US\$502.6 million) in 2016, 2017 and the six months ended June 30, 2018, respectively. In addition, we had negative cash flows from operating activities of RMB2,201.6 million, RMB4,574.7 million (US\$691.3 million) and RMB3,634.8 million (US\$549.3 million) in 2016, 2017 and the six months ended June 30, 2018, respectively. We have made significant up-front investments in research and development and selling, general and administrative expenses to rapidly develop and expand our business. We expect to continue to invest significantly in research and development and sales and marketing, general and administrative expenses, to establish and expand our business, and these investments may not result in an increase in revenue or positive cash flow on a timely basis, or at all.

We may not generate sufficient revenues or we may incur substantial losses for a number of reasons, including lack of demand for our vehicles and services, increasing competition, as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications and delays in generating revenue or achieving profitability. If we are unable to achieve profitability, we may have to reduce the scale of our operations, which may impact our business growth and adversely affect our financial condition and results of operations.

***We have a limited operating history and face significant challenges as a new entrant into our industry.***

We were formed in 2014 and began making deliveries to the public of our first volume manufactured vehicle, the ES8, in June 2018. We are currently developing our second vehicle, the ES6, for delivery in 2019.

You should consider our business and prospects in light of the risks and challenges we face as a new entrant into our industry, including, among other things, with respect to our ability to:

- design and produce safe, reliable and quality vehicles on an ongoing basis;
- build a well-recognized and respected brand;
- establish and expand our customer base;
- successfully market not just our vehicles but also our other services, including our service package, energy package and other services we provide;
- properly price our services, including our charging solutions and service package and successfully anticipate the take-rate and usage of such services by users;
- improve and maintain our operational efficiency;
- maintain a reliable, secure, high-performance and scalable technology infrastructure;
- attract, retain and motivate talented employees;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape; and
- navigate an evolving and complex regulatory environment.

If we fail to address any or all of these risks and challenges, our business may be materially and adversely affected.

We have limited experience to date in high volume manufacturing of our electric vehicles. We cannot assure you that we will be able to develop efficient, automated, cost-efficient manufacturing capability and processes, and reliable sources of component supply that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes required to successfully mass market the ES8 and future vehicles.

Furthermore, our vehicles are highly technical products that will require maintenance and support. If we were to cease or cut back operations, even years from now, buyers of our vehicles from years earlier might

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encounter difficulties in maintaining their vehicles and obtaining satisfactory support. We also believe that our service offerings, including user confidence in our ability to provide our charging solutions and honor our obligations under our service package will be key factors in marketing our vehicles. As a result, consumers will be less likely to purchase our vehicles now if they are not convinced that our business will succeed or that our operations will continue for many years. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed.

### ***Manufacturing in collaboration with partners is subject to risks.***

We have entered into an arrangement with Jianghuai Automobile Group Co., Ltd., or JAC, for the manufacture of the ES8 for five years. The ES8 is manufactured in partnership with JAC at its Hefei manufacturing plant. JAC is a major state-owned automobile manufacturer in China and it constructed such Hefei manufacturing plant for the production of the ES8 and potentially other future vehicles with us. Pursuant to our arrangement with JAC, we pay JAC for each vehicle produced on a per-vehicle basis monthly for the first three years. We may enter into similar arrangements in the future for other vehicles. We also plan to initially manufacture the ES6 in partnership with JAC at its Hefei manufacturing plant. Collaboration with third parties for the manufacturing of vehicles is subject to risks with respect to operations that are outside our control. We could experience delays to the extent our partners do not meet agreed upon timelines or experience capacity constraints. There is risk of potential disputes with partners, and we could be affected by adverse publicity related to our partners whether or not such publicity is related to their collaboration with us. Our ability to successfully build a premium brand could also be adversely affected by perceptions about the quality of our partners' vehicles. In addition, although we are involved in each step of the supply chain and manufacturing process, given that we also rely on our partners to meet our quality standards, there can be no assurance that we will successfully maintain quality standards.

In addition, for the first 36 months after the start of production, which commenced on April 10, 2018, to the extent the Hefei manufacturing plant incurs any operating losses, we have agreed to compensate JAC for such operating losses. As of June 30, 2018, we have paid JAC a total of RMB100 million, including RMB65.1 million as compensation for losses incurred in the second quarter of 2018 and RMB34.9 million as a prepayment for manufacturing and processing fees and potential future losses in the third quarter of 2018, pursuant to a supplemental agreement entered into in June 2018. If we are obligated to compensate JAC for any losses, our results of operations and financial condition may be materially and adversely affected, particularly if such losses are incurred as a result of lower than anticipated sales volume.

We may be unable to enter into new agreements or extend existing agreements with third-party manufacturing partners on terms and conditions acceptable to us and therefore may need to contract with other third parties or significantly add to our own production capacity. There can be no assurance that in such event we would be able to partner with other third parties or establish or expand our own production capacity to meet our needs on acceptable terms or at all. The expense and time required to complete any transition, and to assure that vehicles manufactured at facilities of new third party partners comply with our quality standards and regulatory requirements, may be greater than anticipated. The occurrence of any of the foregoing could adversely affect our business, results of operations, financial condition and prospects.

### ***The unavailability, reduction or elimination of government and economic incentives or government policies which are favorable for electric vehicles and domestically produced vehicles could have a material adverse effect on our business, financial condition, operating results and prospects.***

Our growth depends significantly on the availability and amounts of government subsidies, economic incentives and government policies that support the growth of new energy vehicles generally and electric vehicles specifically. For example, each qualified purchaser of the ES8 enjoys subsidies from China's central government and several local governments. In addition, in certain cities, quotas that limit the number of internal

combustion engine, or ICE, vehicles do not apply to electric vehicles, making it easier for customers to purchase electric vehicles.

On April 10, 2018, President Xi Jinping vowed to open China's economy further and lower import tariffs on products including cars, in a speech during the Boao Forum. According to a newly released announcement by the Chinese government, the tariff on imported passenger vehicles (other than those originating in the United States of America) will be reduced to 15% starting from July 1, 2018. As a result, our pricing advantage could be diminished. On June 28, 2018, the National Development and Reform Commission, or NDRC, and the Ministry of Commerce, or the MOFCOM, promulgated the Special Administrative Measures for Market Access of Foreign Investment, or the Negative List, effective on July 28, 2018, under which the limits on foreign ownership of auto manufacturers will be lifted by 2022 for ICE vehicles and in 2018 for NEVs. As a result, foreign EV competitors, such as Tesla, could build wholly-owned facilities in China without the need for a domestic joint venture partner. These changes could increase our competition and reduce our pricing advantage.

Our vehicles also benefit from government policies including tariffs on imported cars. However, China's central government has announced a phase-out schedule for the subsidies provided for purchasers of certain NEVs, which provides that the amount of subsidies provided for purchasers of certain new energy vehicles in 2019 and 2020 will be reduced by 20% as compared to 2017 levels. Any reduction in national subsidies will also lower the maximum local subsidies that can be provided. Furthermore, China's central government provides certain local governments with funds and subsidies to support the roll out of a charging infrastructure. See "Regulation—Favorable Government Policies on New Energy Vehicles in the PRC." These policies are subject to change and beyond our control. We cannot assure you that any changes would be favorable to our business. Furthermore, any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of electric vehicles, fiscal tightening or other factors may result in the diminished competitiveness of the alternative fuel vehicle industry generally or our electric vehicles in particular. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and prospects.

***Our vehicles may not perform in line with customer expectations.***

Our vehicles, including the ES8, may not perform in line with customers' expectations. For example, our vehicles may not have the durability or longevity of other vehicles in the market, and may not be as easy and convenient to repair as other vehicles on the market. Any product defects or any other failure of our vehicles to perform as expected could harm our reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand and reputation, and significant warranty and other expenses, and could have a material adverse impact on our business, financial condition, operating results and prospects.

In addition, the range of our vehicles on a single charge declines principally as a function of usage, time and charging patterns as well as other factors. For example, a customer's use of his or her electric vehicle as well as the frequency with which he or she charges the battery can result in additional deterioration of the battery's ability to hold a charge.

Furthermore, our vehicles may contain defects in design and manufacture that may cause them not to perform as expected or that may require repair. We plan to deliver our vehicles with certain features of our NIO Pilot ADAS system initially disabled and plan to turn on additional features before the end of 2018. We cannot assure you that our NIO Pilot system will ultimately perform in line with expectations. Our vehicles use a substantial amount of software code to operate and software products are inherently complex and often contain defects and errors when first introduced. While we have performed extensive internal testing on our vehicles' software and hardware systems, we have a limited frame of reference by which to evaluate the long-term performance of our systems and vehicles. There can be no assurance that we will be able to detect and fix any defects in the vehicles prior to their sale to consumers. If any of our vehicles fail to perform as expected, we may



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need to delay deliveries, initiate product recalls and provide servicing or updates under warranty at our expense, which could adversely affect our brand in our target markets and could adversely affect our business, prospects and results of operations.

***Any delays in the manufacturing and launch of the commercial production vehicles in our pipeline could have a material adverse effect on our business.***

We started making deliveries of the ES8 in June 2018, and we are developing our second passenger vehicle, the 5-seater ES6 SUV, which is expected to be delivered in 2019 and we are generally targeting to launch a new model every year in the near future as we ramp up our business. Automobile manufacturers often experience delays in the design, manufacture and commercial release of new vehicle models. We are planning to target a broader market with our future vehicles, and to the extent we need to delay the launch of our vehicles, our growth prospects could be adversely affected as we may fail to grow our market share. We also plan to periodically perform facelifts or refresh existing models, which could also be subject to delays. Furthermore, we rely on third party suppliers for the provision and development of many of the key components and materials used in our vehicles. To the extent our suppliers experience any delays in providing us with or developing necessary components, we could experience delays in delivering on our timelines. Any delay in the manufacture and launch of the ES8, the ES6 or future models, including in the build out of the manufacturing facilities in China for these models or due to any other factors, or in refreshing or performing facelifts to existing models, could subject us to customer complaints and materially and adversely affect our reputation, demand for our vehicles, results of operations and growth prospects.

In addition, to the extent the Hefei manufacturing plant incurs any operating losses, we have agreed to compensate JAC for such operating losses. As of June 30, 2018, we have paid JAC a total of RMB100 million, including RMB65.1 million as compensation for losses incurred in the second quarter of 2018 and RMB34.9 million as a prepayment for manufacturing and processing fees and potential future losses in the third quarter of 2018, pursuant to a supplemental agreement entered into in June 2018. If we are obligated to compensate JAC for any losses, our results of operations and financial condition may be materially and adversely affected, particularly if such losses are incurred as a result of lower than anticipated sales volume. We expect that our sales volume and the ability of the Hefei manufacturing plant to achieve profitability will be significantly affected by our ability to timely bring new vehicles to market, and in particular, the ES6.

***We may face challenges providing our charging solutions.***

We have marketed our ability to provide our users with comprehensive charging solutions conveniently accessible using our mobile application. We install home chargers for users where practicable, and provide other solutions including battery swapping, charging through publicly accessible charging infrastructure and charging using our fast charging trucks. Our users are able to use our NIO Power one-click valet charging service where their vehicles are picked up, charged and then returned. We have very limited experience in the actual provision of our charging solutions to users and providing these services is subject to challenges, which include the logistics of rolling out our network and teams in appropriate areas, inadequate capacity or over capacity in certain areas, security risks or risk of damage to vehicles during Power Express valet services and the potential for lack of user acceptance of our services. In addition, although the Chinese government has supported the roll-out of a public charging network, the current number of charging infrastructures is generally considered to be insufficient. We face significant challenges as we roll out our charging solution, including access to sufficient charging infrastructure, obtaining any required permits, land use rights and filings, and, to a certain extent, such roll out is subject to the risk that government support may discontinue.

In addition, given our limited experience in providing charging solutions, there could be unanticipated challenges which may hinder our ability to provide our solutions or make the provision of our solutions costlier than anticipated. To the extent we are unable to meet user expectations or experience difficulties in providing our charging solutions, our reputation and business may be materially and adversely affected.

***Our services may not be generally accepted by our users. If we are unable to provide good customer service, our business and reputation may be materially and adversely affected.***

We aim to provide users with a good customer service experience, including by providing our users with access to a full suite of services conveniently through our mobile application and vehicle applications. In addition, we seek to engage with our users on an ongoing basis using online and offline channels, in ways which are non-traditional for automakers. We cannot assure you that our services, including our energy package and service package, or our efforts to engage with our users using both our online and offline channels, will be successful, which could impact our revenues as well as our customer satisfaction and marketing.

Our servicing will primarily be carried out through third parties certified by us. Although such servicing partners may have experience in servicing other vehicles, we and such partners have very limited experience in servicing our vehicles. Servicing electric vehicles is different from servicing ICE vehicles and requires specialized skills, including high voltage training and servicing techniques. There can be no assurance that our service arrangements will adequately address the service requirements of our users to their satisfaction, or that we and our partners will have sufficient resources to meet these service requirements in a timely manner as the volume of vehicles we deliver increases.

In addition, if we are unable to roll out and establish a widespread service network, user satisfaction could be adversely affected, which in turn could materially and adversely affect our sales, results of operations and prospects.

***We have received only a limited number of reservations for ES8, all of which may be cancelled.***

As of July 31, 2018, we had unfulfilled reservations for more than 17,000 ES8s with deposits. Of these reservations, approximately 12,000 consisted of reservations for which only an initial fully refundable deposit of RMB5,000 had been made. Upon signing of the purchase agreement, which is required prior to a vehicle entering into production, the initial RMB5,000 deposit becomes non-refundable and the user must pay an additional RMB40,000 non-refundable deposit. As of July 31, 2018, we had unfulfilled reservations for 4,989 ES8s, for which non-refundable deposits had been made. We have experienced cancellations in the past. Our users may cancel their reservations for many reasons outside of our control. The potentially long wait from the time a reservation is made until the time the vehicle is delivered could also impact user decisions on whether to ultimately make a purchase, due to potential changes in preferences, competitive developments and other factors. If we encounter delays in the introduction of the ES8 or future vehicles, we believe that a significant number of reservations may be cancelled. As a result, no assurance can be made that reservations will not be cancelled and will ultimately result in the final purchase, delivery, and sale of the vehicle. Such cancellations could harm our financial condition, business, prospects and operating results.

***The automotive market is highly competitive, and we may not be successful in competing in this industry.***

The China automotive market is highly competitive. We have strategically entered into this market in the premium EV segment and we expect this segment will become more competitive in the future as additional players enter into this segment. We also expect that we will compete with international competitors, including Tesla. Our vehicles also compete with ICE vehicles in the premium segment.

Many of our current and potential competitors, particularly international competitors, have significantly greater financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products.

We expect competition in our industry to intensify in the future in light of increased demand and regulatory push for alternative fuel vehicles, continuing globalization and consolidation in the worldwide automotive

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industry. Factors affecting competition include, among others, product quality and features, innovation and development time, pricing, reliability, safety, fuel economy, customer service and financing terms. Increased competition may lead to lower vehicle unit sales and increased inventory, which may result in downward price pressure and adversely affect our business, financial condition, operating results and prospects. Our ability to successfully compete in our industry will be fundamental to our future success in existing and new markets and our market share. There can be no assurance that we will be able to compete successfully in our markets. If our competitors introduce new cars or services that successfully compete with or surpass the quality or performance of our cars or services at more competitive prices, we may be unable to satisfy existing customers or attract new customers at the prices and levels that would allow us to generate attractive rates of return on our investment.

***Our industry and its technology are rapidly evolving and may be subject to unforeseen changes. Developments in alternative technologies or improvements in the internal combustion engine may materially and adversely affect the demand for our electric vehicles.***

We operate in China's electric vehicle market, which is rapidly evolving and may not develop as we anticipate. The regulatory framework governing the industry is currently uncertain and may remain uncertain for the foreseeable future. As our industry and our business develop, we may need to modify our business model or change our services and solutions. These changes may not achieve expected results, which could have a material adverse effect on our results of operations and prospects.

Furthermore, we may be unable to keep up with changes in electric vehicle technology and, as a result, our competitiveness may suffer. Our research and development efforts may not be sufficient to adapt to changes in electric vehicle technology. As technologies change, we plan to upgrade or adapt our vehicles and introduce new models in order to continue to provide vehicles with the latest technology, in particular battery cell technology, which could involve substantial costs and lower our return on investment for existing vehicles. There can be no assurance that we will be able to compete effectively with alternative vehicles or source and integrate the latest technology into our vehicles, against the backdrop of our rapidly evolving industry. Even if we are able to keep pace with changes in technology and develop new models, we are subject to the risk that our prior models will become obsolete more quickly than expected, potentially reducing our return on investment.

Developments in alternative technologies, such as advanced diesel, ethanol, fuel cells or compressed natural gas, or improvements in the fuel economy of the internal combustion engine, may materially and adversely affect our business and prospects in ways we do not currently anticipate. For example, fuel which is abundant and relatively inexpensive in China, such as compressed natural gas, may emerge as consumers' preferred alternative to petroleum based propulsion. Any failure by us to successfully react to changes in existing technologies, could materially harm our competitive position and growth prospects.

***We may be unable to adequately control the costs associated with our operations.***

We have required significant capital to develop and grow our business, including developing our first volume manufactured vehicle, the ES8 as well as building our brand. We expect to incur significant costs which will impact our profitability, including research and development expenses as we roll out new models and improve existing models, raw material procurement costs and selling and distribution expenses as we build our brand and market our vehicles. In addition, we may incur significant costs in connection with our services, including providing charging solutions and honoring our commitments under our service package. Our ability to become profitable in the future will not only depend on our ability to successfully market our vehicles and other products and services but also to control our costs. If we are unable to cost efficiently design, manufacture, market, sell and distribute and service our vehicles and services, our margins, profitability and prospects would be materially and adversely affected.

***We could experience cost increases or disruptions in supply of raw materials or other components used in our vehicles.***

We incur significant costs related to procuring raw materials required to manufacture and assembling our vehicles. We use various raw materials in our vehicles including aluminum, steel, carbon fiber, non-ferrous metals such as copper, lithium, nickel as well as cobalt. The prices for these raw materials fluctuate depending on factors beyond our control including market conditions and global demand for these materials and could adversely affect our business and operating results. Our business also depends on the continued supply of battery cells for our vehicles. Battery cell manufacturers may refuse to supply electric vehicle manufacturers to the extent they determine that the vehicles are not sufficiently safe. We are exposed to multiple risks relating to availability and pricing of quality lithium-ion battery cells. These risks include:

- the inability or unwillingness of current battery cell manufacturers to build or operate battery cell manufacturing plants to supply the numbers of lithium-ion cells required to support the growth of the electric or plug-in hybrid vehicle industry as demand for such cells increases;
- disruption in the supply of cells due to quality issues or recalls by the battery cell manufacturers; and
- an increase in the cost of raw materials, such as lithium, nickel, cobalt, used in lithium-ion cells.

Furthermore, currency fluctuations, tariffs or shortages in petroleum and other economic or political conditions may result in significant increases in freight charges and raw material costs. Substantial increases in the prices for our raw materials or components would increase our operating costs, and could reduce our margins. In addition, a growth in popularity of electric vehicles without a significant expansion in battery cell production capacity could result in shortages which would result in increased materials costs to us or impact or prospects.

***We are dependent on our suppliers, many of whom are our single source suppliers for the components they supply.***

The ES8 uses over 1,700 purchased parts which we source from over 160 suppliers, many of whom are currently our single source suppliers for these components, and we expect that this will be similar for the ES6 and any other future vehicle we may produce. The supply chain exposes us to multiple potential sources of delivery failure or component shortages. While we obtain components from multiple sources whenever possible, similar to other automobile manufacturers, many of the components used in our vehicles are purchased by us from a single source. To date, we have not qualified alternative sources for most of the single sourced components used in our vehicles and we generally do not maintain long-term agreements with our single source suppliers. For example, while several sources of the battery cell we have selected for the ES8 are available, we have fully qualified only one supplier for these cells.

Furthermore, qualifying alternate suppliers or developing our own replacements for certain highly customized components of the ES8, such as the air suspension system and the steering system, may be time consuming and costly. Any disruption in the supply of components, whether or not from a single source supplier, could temporarily disrupt production of our vehicles until an alternative supplier is fully qualified by us or is otherwise able to supply us the required material and there can be no assurance that we would be able to successfully retain alternative suppliers or supplies on a timely basis, on acceptable terms or at all. Changes in business conditions, force majeure, governmental changes and other factors beyond our control or which we do not presently anticipate, could also affect our suppliers' ability to deliver components to us on a timely basis. Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

***Our business and prospects depend significantly on our ability to build our NIO brand. We may not succeed in continuing to establish, maintain and strengthen the NIO brand, and our brand and reputation could be harmed by negative publicity regarding our company or products.***

Our business and prospects are heavily dependent on our ability to develop, maintain and strengthen the "NIO" brand. If we do not continue to establish, maintain and strengthen our brand, we may lose the opportunity

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to build a critical mass of customers. Promoting and positioning our brand will likely depend significantly on our ability to provide high quality vehicles and services and engage with our customers as intended and we have limited experience in these areas. In addition, we expect that our ability to develop, maintain and strengthen the NIO brand will also depend heavily on the success of our user development and branding efforts. Such efforts mainly include building a community of online and offline users engaged with us through our mobile application and NIO Houses as well as other branding initiatives such as our annual NIO Day, Formula E team and other automotive shows and events. Such efforts may be non-traditional and may not achieve the desired results. To promote our brand, we may be required to change our user development and branding practices, which could result in substantially increased expenses, including the need to use traditional media such as television, radio and print. If we do not develop and maintain a strong brand, our business, prospects, financial condition and operating results will be materially and adversely impacted.

In addition, if incidents occur or are perceived to have occurred, whether or not such incidents are our fault, we could be subject to adverse publicity. In particular, given the popularity of social media, including WeChat/Weixin in China, any negative publicity, whether true or not, could quickly proliferate and harm consumer perceptions and confidence in our brand. Furthermore, there is the risk of potential adverse publicity related to our manufacturing or other partners whether or not such publicity related to their collaboration with us. Our ability to successfully position our brand could also be adversely affected by perceptions about the quality of our partners' vehicles.

In addition, from time to time, our vehicles are evaluated and reviewed by third parties. Any negative reviews or reviews which compare us unfavorably to competitors could adversely affect consumer perception about our vehicles.

***Our business depends substantially on the continuing efforts of our executive officers, key employees and qualified personnel, and our operations may be severely disrupted if we lose their services.***

Our success depends substantially on the continued efforts of our executive officers and key employees. If one or more of our executive officers or key employees were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. As we build our brand and become more well-known, the risk that competitors or other companies may poach our talent increases. Our industry is characterized by high demand and intense competition for talent and therefore we cannot assure you that we will be able to attract or retain qualified staff or other highly skilled employees. In addition, because our electric vehicles are based on a different technology platform than traditional ICE vehicles, individuals with sufficient training in electric vehicles may not be available to hire, and we will need to expend significant time and expense training the employees we hire. We also require sufficient talent in areas such as software development. Furthermore, as our company is relatively young, our ability to train and integrate new employees into our operations may not meet the growing demands of our business which may materially and adversely affect our ability to grow our business and our results of operations.

If any of our executive officers and key employees terminates their services with us, our business may be severely disrupted, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train and retain qualified personnel. We have not obtained any "key person" insurance on our key personnel. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Each of our executive officers and key employees has entered into an employment agreement and a non-compete agreement with us. However, if any dispute arises between our executive officers or key employees and us, the non-competition provisions contained in their non-compete agreements may not be enforceable, especially in China, where these executive officers reside, on the ground that we have not provided adequate compensation to them for their non-competition obligations, which is required under relevant PRC laws.

***Our future growth is dependent on the demand for, and upon consumers' willingness to adopt electric vehicles.***

Demand for automobile sales depends to a large extent on general, economic, political and social conditions in a given market and the introduction of new vehicles and technologies. As our business grows, economic conditions and trends will impact our business, prospects and operating results as well.

Demand for our electric vehicles may also be affected by factors directly impacting automobile price or the cost of purchasing and operating automobiles such as sales and financing incentives, prices of raw materials and parts and components, cost of fuel and governmental regulations, including tariffs, import regulation and other taxes. Volatility in demand may lead to lower vehicle unit sales, which may result in further downward price pressure and adversely affect our business, prospects, financial condition and operating results.

In addition, the demand for our vehicles and services will highly depend upon the adoption by consumers of new energy vehicles in general and electric vehicles in particular. The market for new energy vehicles is still rapidly evolving, characterized by rapidly changing technologies, price and other competition, evolving government regulation and industry standards and changing consumer demands and behaviors.

Other factors that may influence the adoption of alternative fuel vehicles, and specifically electric vehicles, include:

- perceptions about electric vehicle quality, safety, design, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of electric vehicles, whether or not such vehicles are produced by us or other manufacturers;
- perceptions about vehicle safety in general, in particular safety issues that may be attributed to the use of advanced technology, including electric vehicle and regenerative braking systems;
- the limited range over which electric vehicles may be driven on a single battery charge and the speed at which batteries can be recharged;
- the decline of an electric vehicle's range resulting from deterioration over time in the battery's ability to hold a charge;
- concerns about electric grid capacity and reliability;
- the availability of new energy vehicles, including plug-in hybrid electric vehicles;
- improvements in the fuel economy of the internal combustion engine;
- the availability of service for electric vehicles;
- the environmental consciousness of consumers;
- access to charging stations, standardization of electric vehicle charging systems and consumers' perceptions about convenience and cost to charge an electric vehicle;
- the availability of tax and other governmental incentives to purchase and operate electric vehicles or future regulation requiring increased use of nonpolluting vehicles;
- perceptions about and the actual cost of alternative fuel; and
- macroeconomic factors.

Any of the factors described above may cause current or potential customers not to purchase our electric vehicles and use our services. If the market for electric vehicles does not develop as we expect or develops more slowly than we expect, our business, prospects, financial condition and operating results will be affected.

***We depend on revenue generated from a single model of vehicle and in the foreseeable future will be significantly dependent on a limited number of models.***

Our business will initially depend substantially on the sales and success of our ES8, which will be our only volume manufactured vehicle in the market for an extended period of time. We expect to add our second model, the ES6 in 2019, followed by our sedan model, the ET7 in 2020. Historically, automobile customers have come to expect a variety of vehicle models offered in a manufacturer's fleet and new and improved vehicle models to be introduced frequently. In order to meet these expectations, we plan in the future to introduce on a regular basis new vehicle models as well as enhance versions of existing vehicle models. To the extent our product variety and cycles do not meet consumer expectations, or cannot be produced on our projected timelines and cost and volume targets, our future sales may be adversely affected. Given that for the foreseeable future our business will depend on a single or limited number of models, to the extent a particular model is not well-received by the market, our sales volume could be materially and adversely affected. This could have a material adverse effect on our business, prospects, financial condition and operating results.

***We are subject to risks related to customer credit.***

We plan to provide our users with the option of a battery payment arrangement, where users can make battery payments in installments. For the ES8, there is an RMB100,000 reduction in the purchase price and users adopting this arrangement pay RMB1,280 per month. The monthly installments are payable over 78 months. We are exposed to the creditworthiness of our users since we expect them to make monthly payments for vehicle batteries under the battery payment arrangement. To the extent our users fail to make payments on-time, our results of operations may be adversely affected.

***We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.***

We may become subject to product liability claims, which could harm our business, prospects, operating results and financial condition. The automotive industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event our vehicles do not perform as expected or malfunction resulting in property damage, personal injury or death. Our risks in this area are particularly pronounced given we have limited field experience of our vehicles. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our vehicles and business and inhibit or prevent commercialization of our future vehicle candidates which would have material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may have a material adverse effect on our reputation, business and financial condition.

***Our vehicles are subject to motor vehicle standards and the failure to satisfy such mandated safety standards would have a material adverse effect on our business and operating results.***

All vehicles sold must comply with various standards of the market where the vehicles were sold. In China vehicles must meet or exceed all mandated safety standards. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving such standards. Vehicles must pass various tests and undergo a certification process and be affixed with China Compulsory Certification, or CCC, before receiving delivery from the factory, being sold, or being used in any commercial activity, and such certification is also subject to periodic renewal. The ES8 received CCC certification in December 2017. The ES6 and ET7 have not yet undergone CCC certification but must be certified in the future prior to being marketed. The process of obtaining CCC Certification typically requires five to six months. We plan to begin the process of obtaining CCC certification for the ES6 in the fourth quarter of 2018. Furthermore, the government carries out the supervision and scheduled and unscheduled inspection of certified vehicles on a regular basis. In the event that our

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certification fails to be renewed upon expiry, a certified vehicle has a defect resulting in quality or safety accidents, or consistent failure of certified vehicles to comply with certification requirements is discovered during follow-up inspections, the CCC may be suspended or even revoked. With effect from the date of revocation or during suspension of the CCC, any vehicle that fails to satisfy the requirements for certification may not continue to be delivered, sold, imported or used in any commercial activity. Failure by us to have the ES8 or any future model electric vehicle satisfy motor vehicle standards would have a material adverse effect on our business and operating results.

***We may be subject to risks associated with autonomous driving technology.***

Through NIO Pilot, we will provide enhanced Level 2 autonomous driving functionalities, and through our research and development, we plan to continue to update and improve our autonomous driving technology. Autonomous driving technologies are subject to risks and from time to time there have been accidents associated with such technologies. For example, in March 2018, Tesla indicated that its autopilot system was engaged at the time of a fatal accident and an Uber Technologies Inc. self-driving vehicle struck a pedestrian leading to a fatality. The safety of such technologies depends in part on user interaction and users may not be accustomed to using such technologies. To the extent accidents associated with our autonomous driving systems occur, we could be subject to liability, government scrutiny and further regulation. Any of the foregoing could materially and adversely affect our results of operations, financial condition and growth prospects.

***We may be compelled to undertake product recalls or take other actions, which could adversely affect our brand image and financial performance.***

If our vehicles are subject to recalls in the future, we may be subject to adverse publicity, damage to our brand and liability for costs. In the future, we may at various times, voluntarily or involuntarily, initiate a recall if any of our vehicles, including any systems or parts sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary or caused by systems or components engineered or manufactured by us or our suppliers, could involve significant expense and could adversely affect our brand image in our target markets, as well as our business, prospects, financial condition and results of operations.

***Our distribution model is different from the predominant current distribution model for automobile manufacturers, which makes evaluating our business, operating results and future prospects difficult.***

Our distribution model is not common in the automotive industry today, particularly in China. We plan to conduct vehicle sales directly to users rather than through dealerships, primarily through our mobile application and NIO Houses. Furthermore, generally all vehicles are made to order. This model of vehicle distribution is relatively new and unproven, especially in China, and subjects us to substantial risk as it requires, in the aggregate, significant expenditures and provides for slower expansion of our distribution and sales systems than may be possible by utilizing the traditional dealer franchise system. For example, we will not be able to utilize long established sales channels developed through a franchise system to increase our sales volume. Moreover, we will be competing with companies with well established distribution channels. Our success will depend in large part on our ability to effectively develop our own sales channels and marketing strategies. Implementing our business model is subject to numerous significant challenges, including obtaining permits and approvals from government authorities, and we may not be successful in addressing these challenges.

We estimate that if all our current unfulfilled reservations, for more than 17,000 ES8s as of July 31, 2018, are ultimately converted into orders, we would fulfill such orders within six to nine months following the date of this prospectus. The lead time in fulfilling our initial batch of orders could lead to cancelled orders. In addition, our aim is in the future to manufacture vehicles within 21-28 days from the order date. If we are unable to achieve these targets, our customer satisfaction could be adversely affected, harming our business and reputation.



***Our financial results may vary significantly from period to period due to the seasonality of our business and fluctuations in our operating costs.***

Our operating results may vary significantly from period-to-period due to many factors, including seasonal factors that may have an effect on the demand for our electric vehicles. Demand for new cars in the automotive industry in general typically decline over the winter season, while sales are generally higher during the spring and summer months. Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in some markets may impact demand for our vehicles. Our operating results could also suffer if we do not achieve revenue consistent with our expectations for this seasonal demand because many of our expenses are based on anticipated levels of annual revenue.

We also expect our period-to-period operating results to vary based on our operating costs which we anticipate will increase significantly in future periods as we, among other things, design, develop and manufacture our electric vehicles and electric powertrain components, build and equip new manufacturing facilities to produce such components, open new NIO Houses, increase our sales and marketing activities, and increase our general and administrative functions to support our growing operations.

As a result of these factors, we believe that period-to-period comparisons of our operating results are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our operating results may not meet expectations of equity research analysts or investors. If this occurs, the trading price of our ADSs could fall substantially either suddenly or over time.

***If our vehicle owners customize our vehicles or change the charging infrastructure with aftermarket products, the vehicle may not operate properly, which may create negative publicity and could harm our business.***

Automobile enthusiasts may seek to “hack” our vehicles to modify their performance which could compromise vehicle safety systems. Also, customers may customize their vehicles with after-market parts that can compromise driver safety. We do not test, nor do we endorse, such changes or products. In addition, the use of improper external cabling or unsafe charging outlets can expose our customers to injury from high voltage electricity. Such unauthorized modifications could reduce the safety of our vehicles and any injuries resulting from such modifications could result in adverse publicity which would negatively affect our brand and harm our business, prospects, financial condition and operating results.

***Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.***

We will need significant capital to, among other things, conduct research and development and expand our production capacity as well as roll out our charging and servicing network and our NIO Houses. We also expect to require significant capital and incur substantial costs in setting up, equipping and improving our future manufacturing plant in Shanghai, which could potentially face cost overruns. As we ramp up our production capacity and operations we may also require significant capital to maintain our property, plant and equipment and such costs may be greater than anticipated. We currently estimate that our capital expenditures for the next three years, including for improvements and installation of equipment at our own manufacturing facility in Shanghai, research and development and the expansion of our sales and service networks, will be approximately US\$1.8 billion, with approximately US\$600 million incurred over the twelve months starting from July 2018. We expect that our level of capital expenditures will be significantly affected by user demand for our products and services. The fact that we have a limited operating history means we have limited historical data on the demand for our products and services. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate. We plan to seek equity or debt financing to finance a portion of our capital expenditures. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all.

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Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business plan. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our current corporate structure. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations.

In addition, our future capital needs and other business reasons could require us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

***We retain certain information about our users and may be subject to various privacy and consumer protection laws.***

We use our vehicles' electronic systems to log information about each vehicle's use, such as charge time, battery usage, mileage and driving behavior, in order to aid us in vehicle diagnostics, repair and maintenance, as well as to help us customize and optimize the driving and riding experience. Our users may object to the use of this data, which may harm our business. Possession and use of our user's driving behavior and data in conducting our business may subject us to legislative and regulatory burdens in China and other jurisdictions that could require notification of data breach, restrict our use of such information and hinder our ability to acquire new customers or market to existing customers. If users allege that we have improperly released or disclosed their personal information, we could face legal claims and reputational damage. We may incur significant expenses to comply with privacy, consumer protection and security standards and protocols imposed by law, regulation, industry standards or contractual obligations. If third parties improperly obtain and use the personal information of our users, we may be required to expend significant resources to resolve these problems.

***Failure of information security and privacy concerns could subject us to penalties, damage our reputation and brand, and harm our business and results of operations.***

We face significant challenges with respect to information security and privacy, including the storage, transmission and sharing of confidential information. We transmit and store confidential and private information of our car buyers, such as personal information, including names, accounts, user IDs and passwords, and payment or transaction related information.

We are required by PRC law to ensure the confidentiality, integrity, availability and authenticity of the information of our users, customers and distributors, which is also essential to maintaining their confidence in our vehicles and services. We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, advanced encryption technologies. However, advances in technology, an increased level of sophistication and diversity of our products and services, an increased level of expertise of hackers, new discoveries in the field of cryptography or others can still result in a compromise or breach of the measures that we use. If we are unable to protect our systems, and hence the information stored in our systems, from unauthorized access, use, disclosure, disruption, modification or destruction, such problems or security breaches could cause a loss, give rise to our liabilities to the owners of confidential information or even subject us to fines and penalties. In addition, complying with various laws and regulations could cause us to incur substantial costs or require us to change our business practices, including our data practices, in a manner adverse to our business.

***Our warranty reserves may be insufficient to cover future warranty claims which could adversely affect our financial performance.***

For the initial owner of each ES8, we provide an extended warranty, subject to certain conditions. As required under relevant PRC law, we also provide (i) a bumper to bumper three year or 120,000 kilometers warranty, (ii) for critical EV components (electrical motors, battery and control unit) an eight year or 120,000 kilometers warranty, and (iii) a two year or 50,000 kilometer warranty covering vehicle repair, replacement and refund. Our warranty program is similar to other vehicle manufacturer's warranty programs intended to cover all parts and labor to repair defects in material or workmanship in the body, chassis, suspension, interior, electric systems, battery, powertrain and brake system. We plan to record and adjust warranty reserves based on changes in estimated costs and actual warranty costs. However, because we have only recently made initial deliveries of the ES8, we have no experience with warranty claims regarding our vehicles or with estimating warranty reserves. As of July 31, 2018, we had warranty reserves in respect of our vehicles of RMB7.9 million (US\$1.2 million). We cannot assure you that such reserves will be sufficient to cover future claims. We could, in the future, become subject to a significant and unexpected warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our results of operations, financial condition and prospects.

***We may need to defend ourselves against patent or trademark infringement claims, which may be time-consuming and would cause us to incur substantial costs.***

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop, sell or market our vehicles or components, which could make it more difficult for us to operate our business. From time to time, we may receive communications from holders of patents or trademarks regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to take licenses. Our applications and uses of trademarks relating to our design, software or artificial intelligence technologies could be found to infringe upon existing trademark ownership and rights. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating certain components into, or using vehicles or offering goods or services that incorporate or use the challenged intellectual property;
- pay substantial damages;
- seek a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms or at all;
- redesign our vehicles or other goods or services; or
- establish and maintain alternative branding for our products and services.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology or other intellectual property right, our business, prospects, operating results and financial condition could be materially and adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs, negative publicity and diversion of resources and management attention.

***We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.***

We regard our trademarks, service marks, patents, domain names, trade secrets, proprietary technologies and similar intellectual property as critical to our success. We rely on trademark and patent law, trade secret protection and confidentiality and license agreements with our employees and others to protect our proprietary rights.

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We have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. In addition, any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation.

Implementation and enforcement of PRC intellectual property-related laws have historically been deficient and ineffective. Accordingly, protection of intellectual property rights in China may not be as effective as in the United States or other developed countries. Furthermore, policing unauthorized use of proprietary technology is difficult and expensive. We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot assure you that the steps we have taken or will take will prevent misappropriation of our intellectual property. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

***As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies, which could have a material and adverse effect on our business operations, financial condition and results of operations.***

As of June 30, 2018, we had 737 registered patents and 1,995 patent applications pending in Hong Kong, Mainland China, European Union and the United States. For our pending application, we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. In addition, the rights granted under any issued patents may not provide us with meaningful protection or competitive advantages. The claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others could bar us from licensing and exploiting any patents that issue from our pending applications. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

***We have limited insurance coverage, which could expose us to significant costs and business disruption.***

We have limited liability insurance coverage for our products and business operation. A successful liability claim against us due to injuries suffered by our users could materially and adversely affect our financial conditions, results of operations and reputation. In addition, we do not have any business disruption insurance. Any business disruption event could result in substantial cost to us and diversion of our resources.

***We are or may be subject to risks associated with strategic alliances or acquisitions.***

We have entered into and may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffers negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, although we have no current acquisition plans, if appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

***If we fail to manage our growth effectively, we may not be able to market and sell our vehicles successfully.***

We have expanded our operations, and as we ramp up our production, further significant expansion will be required, especially in connection with potential increased sales, providing our users with high-quality servicing, charging solutions, expansion of our NIO House network and managing different models of vehicles. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. Risks that we face in undertaking this expansion include, among others:

- managing a larger organization with a greater number of employees in different divisions;
- controlling expenses and investments in anticipation of expanded operations;
- establishing or expanding design, manufacturing, sales and service facilities;
- implementing and enhancing administrative infrastructure, systems and processes; and
- addressing new markets and potentially unforeseen challenges as they arise.

Any failure to manage our growth effectively could materially and adversely affect our business, prospects, results of operations and financial condition.

***If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our ADSs may be adversely affected.***

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud.

Our internal controls relating to financial reporting have not kept pace with the expansion of our business. Our financial reporting function and system of internal controls are less developed in certain respects than those of similar companies that operate in fewer or more developed markets and may not provide our management with as much or as accurate or timely information. The Public Company Accounting Oversight Board, or PCAOB, has defined a material weakness as "a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim statements will not be prevented or detected on a timely basis."

In connection with the preparation and external audit of our consolidated financial statements as of and for the years ended December 31, 2016 and 2017, we and PricewaterhouseCoopers Zhong Tian LLP, an independent

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registered public accounting firm, noted a material weakness in our internal control over financial reporting. The material weakness identified was that we do not have sufficient competent financial reporting and accounting personnel with an appropriate understanding of U.S. GAAP to (i) design and implement formal period-end financial reporting policies and procedures to address complex U.S. GAAP technical accounting issues and (ii) prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and the financial reporting requirements set forth by the SEC. The material weakness resulted in a significant number of adjustments and amendments to our consolidated financial statements and related disclosures under U.S. GAAP.

As a result of the identification of this material weakness, we plan to take measures to remedy this control deficiency. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting.” However, we can give no assurance that our planned remediation will be properly implemented or will be sufficient to eliminate such material weakness or that material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal controls over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, which may result in volatility in and a decline in the market price of the ADSs.

Our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. Our independent registered public accounting firm conducted an audit of our internal control over financial reporting, such accountant might have identified additional material weaknesses and deficiencies. Upon completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2019. In addition, once we cease to be an “emerging growth company” as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

***If our suppliers fail to use ethical business practices and comply with applicable laws and regulations, our brand image could be harmed due to negative publicity.***

Our core values, which include developing high quality electric vehicles while operating with integrity, are an important component of our brand image, which makes our reputation sensitive to allegations of unethical business practices. We do not control our independent suppliers or their business practices. Accordingly, we cannot guarantee their compliance with ethical business practices, such as environmental responsibilities, fair wage practices, and compliance with child labor laws, among others. A lack of demonstrated compliance could lead us to seek alternative suppliers, which could increase our costs and results in delayed delivery of our products, product shortages or other disruptions of our operations.

Violation of labor or other laws by our suppliers or the divergence of an independent supplier's labor or other practices from those generally accepted as ethical in the markets in which we do business could also attract negative publicity for us and our brand. This could diminish the value of our brand image and reduce demand for our electric vehicles if, as a result of such violation, we were to attract negative publicity. If we, or other manufacturers in our industry, encounter similar problems in the future, it could harm our brand image, business, prospects, results of operations and financial condition.

***If we update our manufacturing equipment more quickly than expected, we may have to shorten the useful lives of any equipment to be retired as a result of any such update, and the resulting acceleration in our depreciation could negatively affect our financial results.***

We and JAC have invested and expect to continue to invest significantly in what we believe is state of the art tooling, machinery and other manufacturing equipment for the product lines where ES8 is manufactured, and we depreciate the cost of such equipment over their expected useful lives. However, manufacturing technology may evolve rapidly, and we or JAC may decide to update our manufacturing process with cutting-edge equipment more quickly than expected. Moreover, as our engineering and manufacturing expertise and efficiency increase, we or JAC may be able to manufacture our products using less of our installed equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent such equipment is owned by us, our results of operations could be negatively impacted.

***The construction and operation of our own manufacturing plant in Shanghai or other manufacturing facilities are subject to regulatory approvals and may be subject to delays, cost overruns or may not produce expected benefits.***

We are developing our own manufacturing facility in Shanghai which we expect to be ready by the end of 2020. Such manufacturing facility is currently being constructed by relevant Shanghai authorities. As a result, such construction is largely outside of our control and could experience delays or other difficulties. We are also building phase two of our manufacturing facilities in Nanjing. Construction projects of this scale are subject to risks and will require significant capital. Any failure to complete these projects on schedule and within budget could adversely impact our financial condition, production capacity and results of operations. Under PRC law, construction projects are subject to broad and strict government supervision and approval procedures, including but not limited to the project approvals and filings, construction land and project planning approval, environment protection approval, the pollution discharge permits, work safety approvals, fire protection approvals, and the completion of inspection and acceptance by relevant authorities. Some of the construction projects being carried out by us, are undergoing necessary approval procedures as required by law. As a result, the relevant entities operating such construction projects may be subject to administrative uncertainty construction projects in question within a specified time frame, fines or the suspension of use of such projects. Any of the foregoing could have a material adverse impact on our operations.

Furthermore, we expect that the construction of our own vehicle manufacturing facility in Shanghai will facilitate our ability to obtain our own EV manufacturing license and potentially benefit from the NEV credit

score system in the future. There can be no assurance that the completion of such factory will ensure that we will be able to obtain such license. In addition, to the extent we are unable to successfully complete construction on time or at all, our ability to obtain our own EV manufacturing license and potentially benefit from the NEV credit score system could be adversely affected, which in turn could impact our growth prospects.

***Our vehicles make use of lithium-ion battery cells, which have been observed to catch fire or vent smoke and flame.***

The battery packs that we produce make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While we have designed the battery pack to passively contain any single cell's release of energy without spreading to neighboring cells, a field or testing failure of our vehicles or other battery packs that we produce could occur, which could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion cells for automotive applications or any future incident involving lithium-ion cells such as a vehicle or other fire, even if such incident does not involve our vehicles, could seriously harm our business.

In addition, we store a significant number of lithium-ion cells at our facilities. Any mishandling of battery cells may cause disruption to the operation of our facilities. While we have implemented safety procedures related to the handling of the cells, a safety issue or fire related to the cells could disrupt our operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's electric vehicle or energy storage product may cause indirect adverse publicity for us and our products. Such adverse publicity could negatively affect our brand and harm our business, prospects, financial condition and operating results.

***Interruption or failure of our information technology and communications systems could impact our ability to effectively provide our services.***

We aim to provide our users with an innovative suite of services through our mobile application. In addition, our in-car services depend to a certain extent, on connectivity. The availability and effectiveness of our services depend on the continuing operation of our information technology and communications systems. Our systems are vulnerable to damage or interruption from, among others, fire, terrorist attacks, natural disasters, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm our systems. Our data centers are also subject to break-ins, sabotage, and intentional acts of vandalism, and to potential disruptions. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems at our data centers could result in lengthy interruptions in our service. In addition, our products and services are highly technical and complex and may contain errors or vulnerabilities, which could result in interruptions in our services or the failure of our systems.

***We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.***

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct activities, including the U.S. Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act 2010, and other anti-corruption laws and regulations. The FCPA and the UK Bribery Act 2010 prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a



system of adequate internal accounting controls. The UK Bribery Act also prohibits non-governmental “commercial” bribery and soliciting or accepting bribes. A violation of these laws or regulations could adversely affect our business, results of operations, financial condition and reputation.

We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. We have also entered into joint ventures and/or other business partnerships with government agencies and state-owned or affiliated entities. These interactions subject us to an increased level of compliance-related concerns. We are in the process of implementing policies and procedures designed to ensure compliance by us and our directors, officers, employees, representatives, consultants, agents and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations. However, our policies and procedures may not be sufficient and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation. In addition, changes in economic sanctions laws in the future could adversely impact our business and investments in our shares.

***Any unauthorized control or manipulation of our vehicles’ systems could result in loss of confidence in us and our vehicles and harm our business.***

Our vehicles contain complex information technology systems. For example, our vehicles are designed with built-in data connectivity to accept and install periodic remote updates from us to improve or update the functionality of our vehicles. We have designed, implemented and tested security measures intended to prevent unauthorized access to our information technology networks, our vehicles and their systems. However, hackers may attempt in the future, to gain unauthorized access to modify, alter and use such networks, vehicles and systems to gain control of, or to change, our vehicles’ functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicle. Vulnerabilities could be identified in the future and our remediation efforts may not be successful. Any unauthorized access to or control of our vehicles or their systems or any loss of data could result in legal claims or proceedings. In addition, regardless of their veracity, reports of unauthorized access to our vehicles, their systems or data, as well as other factors that may result in the perception that our vehicles, their systems or data are capable of being “hacked”, could negatively affect our brand and harm our business, prospects, financial condition and operating results.

***Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our business, financial condition and results of operations.***

The global financial markets experienced significant disruptions in 2008 and the United States, European and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and the global financial markets are facing new challenges, including the escalation of the European sovereign debt crisis since 2011, the hostilities in the Ukraine, the end of quantitative easing by the U.S. Federal Reserve and the economic slowdown in the Eurozone in 2014. It is unclear whether these challenges will be contained and what effects they each may have. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world’s leading economies, including China’s. Economic conditions in China are sensitive to global economic conditions. Recently there have been signs that the rate of China’s economic growth is declining. Any prolonged slowdown in China’s economic development might lead to tighter credit markets, increased market volatility, sudden drops in business and consumer confidence and dramatic changes in business and consumer behaviors.

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Sales of high-end and luxury consumer products, such as our performance electric vehicles, depend in part on discretionary consumer spending and are even more exposed to adverse changes in general economic conditions. In response to their perceived uncertainty in economic conditions, consumers might delay, reduce or cancel purchases of our electric vehicles and our results of operations may be materially and adversely affected.

***Our business could be adversely affected by trade tariffs or other trade barriers.***

In March 2018, U.S. President Donald J. Trump announced the imposition of tariffs on steel and aluminum entering the United States and in June 2018 announced further tariffs targeting goods imported from China. Recently both China and the U.S. have each threatened to impose additional tariffs indicating the potential for further trade barriers. Although we do not currently export any products to the United States, it is not yet clear what impact these tariffs may have or what actions other governments, including the Chinese government may take in retaliation. Although we intend to sell our vehicles only in China in the near future, tariffs could potentially impact our raw material prices. In addition, these developments could have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

***There are uncertainties relating to our chairman's proposed trust arrangement involving a portion of his shareholding in our company.***

Mr. Bin Li, our chairman and chief executive officer, has announced his plan to transfer 50,000,000 shares of our company beneficially owned by him to a trust at an appropriate time after the completion of this offering. He plans to retain the voting rights of these shares and let NIO users discuss and propose how to use the economic interests of these shares, through certain mechanisms to be implemented in the future. Mr. Li hopes this trust arrangement will help deepen our relationship with users. However, there is no specific timeline for the establishment of the trust and the terms of the trust are yet to be determined. Mr. Li may face unforeseen challenges in establishing the trust and determining its terms, which may cause the trust set-up to be delayed or changed. In addition, the mechanisms for letting NIO user discuss on the use of the economic interests of the shares have yet to be implemented. There is no assurance that such mechanisms will be adopted to our users' satisfaction, or at all. Furthermore, depending on the proposed use of the economic interests of the shares in the future, there could be accounting implications to us, which implications we cannot presently ascertain.

***We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.***

Our business could be adversely affected by the effects of epidemics. In recent years, there have been outbreaks of epidemics in China and globally. Our business operations could be disrupted if any of our employees are suspected of having H1N1 flu, avian flu or another epidemic, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our results of operations could be adversely affected to the extent that the outbreak harms the Chinese economy in general.

We are also vulnerable to natural disasters and other calamities. Although we have servers that are hosted in an offsite location, our backup system does not capture data on a real-time basis and we may be unable to recover certain data in the event of a server failure. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services on our platform.

## Risks Relating to Our Corporate Structure

***If the PRC government deems that our contractual arrangements with our variable interest entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.***

According to the Guidance Catalogue of Industries for Foreign Investment promulgated in 2017, or the Catalogue, foreign ownership of certain areas of businesses are subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (except e-commerce) or in a vehicle manufacturer which manufactures the whole vehicle. The Catalogue was amended by the Negative List effective on July 28, 2018, which lifts restrictions on foreign investment in NEVs manufacturers.

We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises. To comply with the Catalogue, we planned to conduct certain operations in China through certain PRC entities, including NIO New Energy. NIO Co., Ltd. owns 50% equity interests in NIO New Energy. Our founders Bin Li and Lihong Qin, through holding equity interest in Shanghai Anbin Technology Co., Ltd. indirectly own 40% and 10%, respectively, of the equity interests in NIO New Energy. With respect to the 50% equity interests of NIO New Energy indirectly held by the founders, we have entered into a series of contractual arrangements with Shanghai Anbin Technology Co., Ltd., or Shanghai Anbin, and its shareholders, which enable us to (i) ultimately exercise effective control over such 50% equity interests of NIO New Energy, (ii) receive 50% of substantially all of the economic benefits and bear the obligation to absorb 50% of substantially all of the losses of NIO New Energy, and (iii) have an exclusive option to purchase all or part of the equity interests in Shanghai Anbin when and to the extent permitted by PRC laws, as a result of which we will indirectly own all or part of such 50% equity interests in NIO New Energy. Because of the ownership of 50% equity interests of NIO New Energy and these contractual arrangements, we are the primary beneficiary of NIO New Energy and hence consolidate its financial results as our variable interest entity under U.S. GAAP. We have also entered into a series of contractual arrangements with Beijing NIO, and its shareholders, which enable us to hold all the required ICP and related licenses in China. For a detailed description of these contractual arrangements, see “Corporate History and Structure.”

In the opinion of Han Kun Law Offices, our PRC legal counsel, (i) the ownership structure of NIO Co., Ltd. and our variable interest entities in China, both currently and immediately after giving effect to this offering, does not result in any violation of PRC laws and regulations currently in effect; and (ii) the contractual arrangements between our wholly-owned subsidiary NIO Co., Ltd., our variable interest entities and their shareholders governed by PRC law will not result in any violation of PRC laws or regulations currently in effect. However, we have been advised by our PRC legal counsel that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules, and there can be no assurance that the PRC regulatory authorities will take a view that is consistent with the opinion of our PRC legal counsel.

It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. In particular, the Ministry of Commerce published a discussion draft of a proposed Foreign Investment Law for public review and comments in January 2015 which, if enacted into law, would represent a major change to the laws and regulations relating to variable interest entity structures. See “—Risks Related to Doing Business in China—Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of draft PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations”.

If the ownership structure, contractual arrangements and businesses of our PRC subsidiaries or our variable interest entities are found to be in violation of any existing or future PRC laws or regulations, or our PRC

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subsidiaries or our variable interest entities fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses and/or operating licenses of such entities;
- shutting down our servers or blocking our website, or discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our PRC subsidiaries and variable interest entities;
- imposing fines, confiscating the income from our PRC subsidiaries or our variable interest entities, or imposing other requirements with which we or our variable interest entities may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our variable interest entities and deregistering the equity pledge of our variable interest entities, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our variable interest entities; or
- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of our variable interest entities that most significantly impact its economic performance, and/or our failure to receive the economic benefits from our variable interest entities, we may not be able to consolidate the entities in our consolidated financial statements in accordance with U.S. GAAP.

***We rely on contractual arrangements with our variable interest entities and their shareholders to exercise control over our business, which may not be as effective as direct ownership in providing operational control.***

We have relied and expect to continue to rely on contractual arrangements with Shanghai Anbin and Beijing NIO and their shareholders to conduct a portion of our operations in China. For a description of these contractual arrangements, see “Corporate History and Structure.” The shareholders of Shanghai Anbin and Beijing NIO may not act in the best interests of our company or may not perform their obligations under these contracts. If we had direct ownership of our VIEs, we would be able to exercise our rights as a shareholder to control our VIEs to excise rights of shareholders to effect changes in the board of directors of our VIEs, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the contractual arrangements, we would rely on legal remedies under PRC law for breach of contract in the event that Shanghai Anbin and Beijing NIO and their shareholders did not perform their obligations under the contracts. These legal remedies may not be as effective as direct ownership in providing us with control over Shanghai Anbin and Beijing NIO.

If Shanghai Anbin or Beijing NIO or their shareholders fail to perform their obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements, and rely on legal remedies under PRC laws, including contractual remedies, which may not be sufficient or effective. All of the agreements under our contractual arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from these contractual arrangements will be resolved through arbitration in China. However, the legal framework and system in China, in particularly those relating to arbitration proceedings, are not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant

uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in the PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. If we are unable to enforce these contractual arrangements, or if we suffer significant delay or face other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our variable interest entities, and our ability to conduct our business may be negatively affected. See “—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to you and us.”

***Our ability to enforce the equity pledge agreements between us and our PRC variable interest entities’ shareholders may be subject to limitations based on PRC laws and regulations.***

Pursuant to the equity interest pledge agreements between Shanghai Anbin and Beijing NIO, our variable interest entities, and NIO Co., Ltd., our wholly-owned PRC subsidiary, and the shareholders of Shanghai Anbin and Beijing NIO, each shareholder of Shanghai Anbin and Beijing NIO agrees to pledge its equity interests in Shanghai Anbin and Beijing NIO to our subsidiary to secure Shanghai Anbin and Beijing NIO’s performance of its obligations under the relevant contractual arrangements. The equity interest pledges of shareholders of each of Beijing NIO and Shanghai Anbin under its equity pledge agreement has been registered with the relevant local branch of State Administration for Market Regulation, or the SAMR. In addition, in the registration forms of the local branch of the SAMR for the pledges over the equity interests under the equity interest pledge agreements, the aggregate amount of registered equity interests pledged to NIO Co., Ltd. represents 100% of the registered capital of Shanghai Anbin and Beijing NIO. The equity interest pledge agreements with our variable interest entities’ shareholders provide that the pledged equity interest shall constitute continuing security for any and all of the indebtedness, obligations and liabilities under all of the principal service agreements and the scope of pledge shall not be limited by the amount of the registered capital of that variable interest entity. However, a PRC court may take the position that the amount listed on the equity pledge registration forms represents the full amount of the collateral that has been registered and perfected. If this is the case, the obligations that are supposed to be secured in the equity interest pledge agreements in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court as unsecured debt, which takes last priority among creditors.

***The shareholders of our variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.***

Our founders Bin Li and Lihong Qin, owns 80% and 20%, respectively, of the equity interests in our variable interest entities, Shanghai Anbin and Beijing NIO. As shareholders of Shanghai Anbin and Beijing NIO, they may have potential conflicts of interest with us. These shareholders may breach, or cause our variable interest entities to breach, or refuse to renew, the existing contractual arrangements we have with them and our variable interest entities, which would have a material and adverse effect on our ability to effectively control our variable interest entities and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with Shanghai Anbin and Beijing NIO to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company. Each of Bin Li and Lihong Qin is also a director and executive officer of our company. We rely on Bin Li and Lihong Qin to abide by the laws of the Cayman Islands and China, which provide that directors owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. There is

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currently no specific and clear guidance under PRC laws that addresses any conflict between PRC laws and laws of Cayman Islands in respect of any conflict relating to corporate governance. If we cannot resolve any conflict of interest or dispute between us and the shareholders of Shanghai Anbin and Beijing NIO, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

***Our contractual arrangements with our variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our variable interest entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.***

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The PRC enterprise income tax law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements between NIO Co., Ltd., our wholly-owned subsidiary in China, Shanghai Anbin and Beijing NIO, our variable interest entities in China, and Shanghai Anbin and Beijing NIO's shareholders were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust Shanghai Anbin and Beijing NIO's income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Shanghai Anbin and Beijing NIO for PRC tax purposes, which could in turn increase its tax liabilities without reducing NIO Co., Ltd.'s tax expenses. In addition, if NIO Co., Ltd. requests the shareholders of Shanghai Anbin and Beijing NIO to transfer their equity interest in NIO Co., Ltd. at nominal or no value pursuant to the contractual agreements, such transfer could be viewed as a gift and subject NIO Co., Ltd. to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on Shanghai Anbin and Beijing NIO for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if any of our variable interest entities' tax liabilities increase or if it is required to pay late payment fees and other penalties.

***We may lose the ability to use and benefit from assets held by our variable interest entities that are material to the operation of our business if either of our variable interest entities goes bankrupt or becomes subject to dissolution or liquidation proceeding.***

As part of our contractual arrangements with our variable interest entities, these entities may in the future hold certain assets that are material to the operation of our business. If either of our variable interest entities goes bankrupt and all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, our variable interest entities may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If either of our variable interest entities undergoes voluntary or involuntary liquidation proceeding, unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

### **Risks Relating to Doing Business in China**

***Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations.***

Substantially all of our revenues are expected to be derived in China in the near future and most of our operations, including all of our manufacturing, is conducted in China. Accordingly, our results of operations,

financial condition and prospects are influenced by economic, political and legal developments in China. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. While the PRC economy has experienced significant growth over the past decades, that growth has been uneven across different regions and between economic sectors and may not continue, as evidenced by the slowing of the growth of the Chinese economy since 2012. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, leading to reduction in demand for our services and solutions and adversely affect our competitive position.

***Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.***

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

Our PRC subsidiaries are foreign-invested enterprises and are subject to laws and regulations applicable to foreign-invested enterprises as well as various Chinese laws and regulations generally applicable to companies incorporated in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

***Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of draft PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and operations.***

The Ministry of Commerce published a discussion draft of the proposed Foreign Investment Law in January 2015. This law, if enacted, would replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, substantial uncertainties exist with respect to its enactment timetable, interpretation and implementation. The draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects.

Among other things, the draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered as a foreign-invested

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enterprise. The draft Foreign Investment Law specifically provides that entities established in China but “controlled” by foreign investors will be treated as foreign-invested enterprises. However, a foreign-invested enterprise that is subject to foreign investment restrictions, upon market entry clearance, may apply in writing for being treated as a PRC domestic investment if it is ultimately “controlled” by PRC government authorities and its affiliates and/or PRC citizens. In this connection, “control” is broadly defined in the draft law to cover the following summarized categories: (i) holding 50% or more of the voting rights of the subject entity; (ii) holding less than 50% of the voting rights of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision making bodies, or having the voting power to exert material influence on the board, the shareholders’ meeting or other equivalent decision making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity’s operations, financial matters or other key aspects of business operations. Once an entity is considered to be a foreign-invested enterprise, it may be subject to the foreign investment restrictions or prohibitions set forth in a “negative list” to be separately issued by the State Council later. If a foreign-invested enterprise proposes to conduct business in an industry subject to foreign investment “restrictions” in the “negative list,” the foreign-invested enterprise must go through a market entry clearance by the Ministry of Commerce before being established, and it may not conduct business in an industry subject to foreign investment “prohibitions” in the “negative list.” Unless the underlying business of the foreign-invested enterprise falls within the negative list, which calls for market entry clearance by the Ministry of Commerce or its local counterparts, prior approval from the government authorities as mandated by the existing foreign investment legal regime would no longer be required for establishment of the foreign-invested enterprise.

The “variable interest entity” structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See “—Risks Related to Our Corporate Structure” and “Our Corporate History and Structure.” Under the draft Foreign Investment Law, variable interest entities that are controlled via contractual arrangement would also be deemed as foreign-invested enterprises if they are ultimately “controlled” by foreign investors. Therefore, for any companies with a “variable interest entity” structure in an industry category that is in the “restriction category” on the “negative list,” the “variable interest entity” structure may be deemed legitimate only if the ultimate controlling person(s) is/are of PRC nationality, namely, either PRC companies or PRC citizens. Conversely, if the actual controlling person(s) is/are of foreign nationalities, then the variable interest entities will be treated as foreign-invested enterprises and any operation in the industry category on the “negative list” without market entry clearance may be considered as illegal.

As of the date of this prospectus, no PRC citizen possess or controls more than 50% of the voting power of our company, has the power to secure at least 50% of the seats on our board of directors or has the voting power to exert material influence on the board or our shareholders’ meeting, or has the power to exert decisive influence, via contractual or trust arrangements, over our operations, financial matters or other key aspects of business operations. In the draft Foreign Investment Law, the Ministry of Commerce has not taken a position on what actions must be taken with respect to the existing companies with a “variable interest entity” structure, whether or not these companies are controlled by PRC parties. Moreover, it is uncertain whether the value-added telecommunication service industry, in which our variable interest entities operate, will be subject to the foreign investment restrictions or prohibitions set forth in the “negative list” to be issued. If the enacted version of the Foreign Investment Law and the final “negative list” mandate further actions, such as market entry clearance granted by the Ministry of Commerce, to be completed by companies with existing “variable interest entity” structure like us, we face uncertainties as to whether such clearance can be timely obtained, or at all.

The draft Foreign Investment Law, if enacted as proposed, may also materially impact our corporate governance practice and increase our compliance costs. For instance, the draft Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable foreign-invested enterprises. Aside from an investment implementation report and an investment amendment report that are required for each investment and alteration of investment specifics, an annual report is mandatory, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be



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non-compliant with these information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

***We may be adversely affected by the complexity, uncertainties and changes in PRC regulations on internet-related as well as automotive businesses and companies.***

We operate in automotive and internet industry, both of which are extensively regulated by the PRC government. For example, the PRC government imposes foreign ownership restriction and the licensing and permit requirements for companies in the internet industry. See “Regulation—Regulation on Foreign Investment in China” and “Regulation—Regulations on Value-added Telecommunications Services.” Recently, the MOFCOM and NDRC promulgated the Negative List, which lifts restrictions on foreign investment on the production of new energy vehicles, effective on July 28, 2018. These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

Currently we rely on the contractual arrangements with Beijing NIO, one of our variable interest entities, to hold an ICP license, and separately own the relevant domain names and trademarks in connection with our internet services and operate our website and mobile application through NIO Co., Ltd. Our internet services may be treated as a value-added telecommunications business. If so, we may be required to transfer the domain names, trademark and the operations of the internet services from NIO Co., Ltd. to Beijing NIO, and we may also be subject to administrative penalties. Further, any challenge to the validity of these arrangements may significantly disrupt our business, subject us to sanctions, compromise enforceability of our contractual arrangements, or have other harmful effects on us. It is uncertain if Beijing NIO will be required to obtain a separate operating license for certain services carried out by us through our mobile application in addition to the value-added telecommunications business operating licenses for internet content provision services, and if Beijing NIO will be required to supplement our current ICP license in the future.

In addition, our mobile applications are also regulated by the Administrative Provisions on Mobile Internet Applications Information Services, or the APP Provisions, promulgated by the Cyberspace Administration of China, or the CAC, on June 28, 2016 and effective on August 1, 2016. According to the APP Provisions, the providers of mobile applications shall not create, copy, publish or distribute information and content that is prohibited by laws and regulations. However, we cannot assure that all the information or content displayed on, retrieved from or linked to our mobile applications complies with the requirements of the APP Provisions at all times. If our mobile applications were found to be violating the APP Provisions, we may be subject to administrative penalties, including warning, service suspension or removal of our mobile applications from the relevant mobile application store, which may materially and adversely affect our business and operating results.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry, particularly the policies relating to value-added telecommunications services, have created substantial uncertainties regarding the legality of existing and future foreign investments in the businesses and activities of internet businesses in China, including our business.

Several PRC regulatory authorities, such as the SAMR, the NDRC, the Ministry of Industry and Information Technology, or the MIIT, and the Ministry of Commerce, or the MOFCOM, oversee different aspects of our operations, and we are required to obtain a wide range of government approvals, licenses, permits and registrations in connection with our operations. For example, certain filings must be made by automobile dealers through the information system for the national automobile circulation operated by the relevant commerce department within 90 days after the receipt of a business license. Furthermore, the NEV industry is relatively new in China, and the PRC government has not adopted a clear regulatory framework to regulate the industry. As some of the laws, rules and regulations that we may be subject to were primarily enacted with a view toward application to ICE vehicles, or are relatively new, there is significant uncertainty regarding their interpretation.

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and application with respect to our business. For example, it remains unclear under PRC laws whether our charging trucks need to be registered with related local traffic management authorities or obtain transportation operation licenses for their services. In addition, the government may enact new laws and regulations that require additional licenses, permits, approvals and/or registrations for the operation of any of our existing or future business. As a result, we cannot assure you that we have all the permits, licenses, registrations and approvals required for our business or that we will be able to obtain, maintain or renew permits, licenses, registrations and approvals in a timely manner or at all.

***We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.***

We are a holding company, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. As of June 30, 2018, our variable interest entities had not made appropriations to statutory reserves as our PRC subsidiaries and our variable interest entities reported accumulated loss. For a detailed discussion of applicable PRC regulations governing distribution of dividends, see “Regulation—Regulation on Dividend Distribution.” Additionally, if our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Furthermore, the PRC tax authorities may require our subsidiaries to adjust their taxable income under the contractual arrangements they currently have in place with our variable interest entities in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. See “—Risks Related to Our Corporate Structure—Contractual arrangements in relation to our variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our variable interest entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.”

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See “—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.”

***We have granted, and may continue to grant, options and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.***

We adopted share incentive plans in 2015, 2016 and 2017, which we refer to as the 2015 Plan, the 2016 Plan and the 2017 Plan, respectively, in this prospectus, for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. We recognize expenses in our consolidated statement of income in accordance with U.S. GAAP. Under our share incentive plans, we are authorized to grant options and other types of awards. Under the 2015 Plan, the 2016 Plan and the 2017 Plan, the maximum numbers of Class A ordinary shares which may be issued pursuant to all awards are 46,264,378, 18,000,000 and 33,000,000, respectively. As of June 30, 2018, awards to purchase an aggregate amount of 88,939,542 Class A ordinary shares under our three stock incentive plans have been granted and are outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates. As a result, a number of awards will become exercisable once we complete this offering, and we will then record a significant share-based compensation expense on the completion date of this offering. As of June 30, 2018, our unrecognized share-based compensation expenses relating to unvested awards, net of estimated forfeitures, amounted to RMB735.7 million (US\$111.2 million).

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Furthermore, perspective candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Thus, our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees.

***Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.***

China's overall economy and the average wage in China have increased in recent years and are expected to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will increase. Unless we are able to pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

In October 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, which came into effect on July 1, 2011. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Funds, which was amended on March 24, 2002. Companies registered and operating in China are required under the Social Insurance Law and the Regulations on the Administration of Housing Funds to, apply for social insurance registration and housing fund deposit registration within 30 days of their establishment and, to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. However, certain of our PRC subsidiaries and VIEs that do not hire any employees and are not a party to any employment agreement, have not applied for and obtained such registration, and instead of paying the social insurance payment on their own for their employees, certain of our PRC subsidiaries and VIEs use third-party agencies to pay in the name of such agency. We could be subject to orders by the competent labor authorities for rectification and failure to comply with the orders may further subject us to administrative fines.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practices may violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

***Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.***

The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of Renminbi to the U.S. dollar, and Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. In the fourth quarter of 2016, the Renminbi depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and the Renminbi could appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

There remains significant international pressure on the PRC government to adopt a more flexible currency policy. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive from this initial public offering into Renminbi to pay our operating expenses, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

***PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.***

Under PRC laws and regulations, we are permitted to utilize the proceeds from this offering to fund our PRC subsidiaries by making loans to or additional capital contributions to our PRC subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements. For more details, see "Regulation—Regulations on Foreign Exchange." These PRC laws and regulations may significantly limit our ability to use Renminbi converted from the net proceeds of this offering to fund the establishment of new entities in China by our PRC subsidiaries, to invest in or acquire any other PRC companies through our PRC subsidiaries, or to establish new variable interest entities in China. Moreover, we cannot assure you that we will be able to complete the necessary registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received or expect to receive from our offshore offerings and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On December 26, 2017, the NDRC issued the Management Rules for Overseas Investment by Enterprises, or Order 11. On February 11, 2018, the Catalog on Overseas Investment in Sensitive Industries (2018 Edition), or the Sensitive Industries List was promulgated. Overseas investment governed by Order 11 refers to the investment activities conducted by an enterprise located in the territory of China either directly or via an overseas enterprise under its control through making investment with assets and equities or providing financing or guarantees in order to obtain overseas ownership, control, management rights and other related interests, and overseas investment by a PRC individual through overseas enterprises under his/her control is also subject to Order 11. According to Order 11, before being conducted, any overseas investment in a sensitive industry or any direct investment by a Chinese enterprise in a non-sensitive industry but with an investment amount over USD300 million requires approval from, or filing with, NDRC respectively, and for those non-sensitive investments indirectly by Chinese investors (including PRC individuals) with investment amount over USD300 million need to be reported. However uncertainties remain with respect to the interpretation and application of Order 11, we are not sure whether our using of proceeds will be subject to Order 11. If we fail to obtain the approval, complete the filing or report our overseas investment with our proceeds (as the case may be) in a timely manner provided that Order 11 is applicable, we may be forced to suspend or cease our investment, or be subject to penalties or other liabilities, which could materially and adversely affect our business, financial condition and prospects.

***Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.***

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. See “Regulation—Regulations on Foreign Exchange.”

Since 2016, the PRC government has tightened its foreign exchange policies again and stepped up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process have been put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may also restrict access in the future to foreign currencies for current account transactions, at its discretion. We receive substantially all of our revenues in RMB. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

***PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries’ ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.***

SAFE requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes certain material events. See “Regulation—Regulations on Foreign Exchange—Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents.”

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and any proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with SAFE registration requirements could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

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However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interests in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

***China's M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.***

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex. In addition to the Anti-monopoly Law itself, these include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Security Review Rules, promulgated in 2011. These laws and regulations impose requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Anti-Monopoly Law requires that the Ministry of Commerce be notified in advance of any concentration of undertaking if certain thresholds are triggered. Moreover, the Security Review Rules specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

***Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.***

Under SAFE regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See "Regulation—Regulations on Employment and Social Welfare—Employee Stock Incentive Plan." We and our PRC resident employees who participate in our share incentive plans will be subject to these regulations when our company becomes publicly listed in the United States. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

***Discontinuation of any of the preferential tax treatments and government subsidies or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.***

Our PRC subsidiaries currently benefit from a number of preferential tax treatments. For example, our subsidiary, NIO Co., Ltd., is entitled to enjoy, after completing certain application formalities, a 15% preferential

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enterprise income tax from 2018 as it has been qualified as a “High New Technology Enterprise” under the PRC Enterprise Income Tax Law and related regulations. The discontinuation of any of the preferential income tax treatment that we currently enjoy could have a material and adverse effect on our result of operations and financial condition. We cannot assure you that we will be able to maintain or lower our current effective tax rate in the future.

In addition, our PRC subsidiaries have received various financial subsidies from PRC local government authorities. The financial subsidies result from discretionary incentives and policies adopted by PRC local government authorities. For example, our subsidiary, XPT (Nanjing) E-Powertrain Technology Co., Ltd., has received subsidies of an aggregate of RMB30 million for the phase I construction of the Nanjing Advanced Manufacturing Engineering Center and our subsidiary, NIO Co., Ltd., has received aggregate subsidies of RMB35 million for its several research and development projects. Local governments may decide to change or discontinue such financial subsidies at any time. The discontinuation of such financial subsidies or imposition of any additional taxes could adversely affect our financial condition and results of operations.

***If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.***

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a PRC resident enterprise. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the State Administration of Taxation’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with PRC enterprise income tax reporting obligations. In addition, gains realized on the sale or other disposition of our ADSs or Class A ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs.

***We may not be able to obtain certain benefits under relevant tax treaty on dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiary.***

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our PRC subsidiaries to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise investor, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in August 2015, require non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file relevant report and materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See “Taxation—People’s Republic of China Taxation.” As of June 30, 2018, our subsidiaries and variable interest entities located in the PRC reported accumulated loss and therefore they had no retained earnings for offshore distribution. In the future, we intend to re-invest all earnings, if any, generated from our PRC subsidiaries for the operation and expansion of our business in China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. Our determination regarding our qualification to enjoy the preferential tax treatment could be challenged by the relevant tax authority and we may not be able to complete the necessary filings with the relevant tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our PRC subsidiaries to our Hong Kong subsidiary.

***We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.***

In February 2015, the State Administration of Taxation issued the Public Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Public Notice 7. SAT Public Notice 7 extends its tax jurisdiction to not only indirect transfers but also transactions involving transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, SAT Public Notice 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an “indirect transfer” by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax.

We face uncertainties on the reporting and consequences of future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises. The PRC tax authorities may pursue such non-resident enterprises with respect to a



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filing or the transferees with respect to withholding obligation, and request our PRC subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under SAT Public Notice 7 and SAT Bulletin 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

***If the custodians or authorized users of controlling non-tangible assets of our company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.***

Under PRC law, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the SAMR.

Although we usually utilize chops to enter into contracts, the designated legal representatives of each of our PRC subsidiaries, variable interest entities and their subsidiaries have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities. All designated legal representatives of our PRC subsidiaries, variable interest entities and their subsidiaries are members of our senior management team who have signed employment agreements with us or our PRC subsidiaries, variable interest entities and their subsidiaries under which they agree to abide by various duties they owe to us. In order to maintain the physical security of our chops and chops of our PRC entities, we generally store these items in secured locations accessible only by the authorized personnel in the legal or finance department of each of our subsidiaries, variable interest entities and their subsidiaries. Although we monitor such authorized personnel, there is no assurance such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations. If a designated legal representative obtains control of the chops in an effort to obtain control over any of our PRC subsidiaries, variable interest entities or their subsidiaries, we or our PRC subsidiaries, variable interest entities and their subsidiaries would need to pass a new shareholders or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the relevant authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

***Our leased property interest may be defective and our right to lease the properties affected by such defects challenged, which could cause significant disruption to our business.***

Under PRC laws, all lease agreements are required to be registered with the local housing authorities. We presently lease several premises in China, some of which the landlords have not completed the registration of their ownership rights or the registration of our leases with the relevant authorities. Failure to complete these required registrations may expose our landlords, lessors and us to potential monetary fines. If these registrations are not obtained in a timely manner or at all, we may be subject to monetary fines or may have to relocate our offices and incur the associated losses.

Some of the ownership certificates or other similar proof of certain leased properties have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. If our lease

agreements are claimed as null and void by third parties who are the real owners of such leased real properties, we could be required to vacate the properties, in the event of which we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be adversely affected.

***The audit report included in this prospectus is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, our investors are deprived of the benefits of such inspection.***

Our independent registered public accounting firm that issues the audit report included in this prospectus, as auditors of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with U.S. laws and professional standards. Because our auditors are located in China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the PRC authorities, our auditors are not currently inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. This lack of PCAOB inspections in China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

***Proceedings instituted by the SEC against the "big four" PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.***

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act against the Chinese affiliates of the "big four" accounting firms (including our auditors). The Rule 102(e) proceedings initiated by the SEC relate to these firms' inability to produce documents, including audit work papers, in response to the request of the SEC pursuant to Section 106 of the Sarbanes-Oxley Act, as the auditors located in the PRC are not in a position lawfully to produce documents directly to the SEC because of restrictions under PRC law and specific directives issued by the China Securities Regulatory Commission, or the CSRC. The issues raised by the proceedings are not specific to our auditors or to us, but affect equally all audit firms based in China and all China-based businesses with securities listed in the United States.

In January 2014, the administrative judge reached an initial decision, or the Initial Decision, that the Chinese affiliates of "big four" accounting firms should be barred from practicing before the SEC for six months. Thereafter, the accounting firms filed a petition for review of the initial decision, prompting the SEC commissioners to review the Initial Decision, determine whether there had been any violation and, if so, determine the appropriate remedy to be placed on these audit firms.

In February 2015, the Chinese affiliates of the "big four" accounting firms (including our auditors) each agreed to censure and pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S. listed companies. The settlement requires the firms to follow detailed procedures and to seek to provide the SEC with access to the Chinese firms' audit documents via the CSRC. If future

document productions fail to meet the specified criteria, the SEC retains the authority to impose a variety of additional measures (e.g., imposing penalties such as suspensions, restarting the administrative proceedings).

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, and could result in delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our shares may be adversely affected. If our independent registered public accounting firm was denied, temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined to not be in compliance with the requirements of the Exchange Act.

#### **Risks Relating to Our ADSs and This Offering**

***An active trading market for our Class A ordinary shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly.***

We have applied to list our ADSs on the New York Stock Exchange. Prior to the completion of this offering, there has been no public market for our ADSs or our Class A ordinary shares, and we cannot assure you that a liquid public market for our ADSs will develop. If an active public market for our ADSs does not develop following the completion of this offering, the market price and liquidity of our ADSs may be materially and adversely affected. The initial public offering price for our ADSs will be determined by negotiation between us and the underwriters based upon several factors, and the trading price of our ADSs after this offering could decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

***The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.***

The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. A number of Chinese companies have listed or are in the process of listing their securities on U.S. stock markets. The securities of some of these companies have experienced significant volatility, including price declines in connection with their initial public offerings. The trading performances of these Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in the United States in general and consequently may impact the trading performance of our ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel;

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- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

***Our triple-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.***

We have adopted a triple-class voting structure such that our ordinary shares consist of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares. Holders of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares have the same rights other than voting and conversion rights. Each holder of Class A ordinary shares is entitled to one vote per share, each holder of our Class B ordinary shares is entitled to four votes per share and each holder of our Class C ordinary shares is entitled to eight votes per share on all matters submitted to them for a vote. Our Class A ordinary shares, Class B ordinary shares and Class C ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Each Class B ordinary share or Class C ordinary share is convertible into one Class A ordinary share, whereas Class A ordinary shares are not convertible into Class B ordinary shares or Class C ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares or Class C ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares or Class C ordinary shares are automatically and immediately converted into the equal number of Class A ordinary shares.

Upon completion of the Offering, Mr. Bin Li, our chairman and chief executive officer, together with his affiliates, will beneficially own all of our issued Class C ordinary shares. The Tencent entities will beneficially own all of our issued Class B ordinary shares. Due to the disparate voting powers associated with our triple classes of ordinary shares, Mr. Li and Tencent entities will have considerable influence over important corporate matters. Following the completion of this offering, Mr. Li will beneficially own       % of the aggregate voting power of our company, assuming that the underwriters do not exercise their over-allotment option, through mobike Global Ltd. and Originalwish Limited, companies wholly owned by Mr. Li, whereas Tencent entities will beneficially own       % of the aggregate voting power of our company through Mount Putuo Investment Limited, Image Frame Investment (HK) Limited and TPP Follow-on I Holding D Limited. After this offering, Mr. Li and Tencent entities will continue to have considerable influence over matters requiring shareholder approval, over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. This concentrated control will limit your ability to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transaction, which could have the effect of depriving the holders of our Class A ordinary shares and our ADSs of the opportunity to sell their shares at a premium over the prevailing market price.

***If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.***

The trading market for our ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our ADSs to decline.

***The sale or availability for sale of substantial amounts of our ADSs could adversely affect their market price.***

Sales of substantial amounts of our ADSs in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. There will be                   ADSs (equivalent to                   Class A ordinary shares) outstanding immediately after this offering, or                   ADSs (equivalent to                   Class A ordinary shares) if the underwriters exercise their option to purchase additional ADSs in full. In connection with this offering, we, our officers, directors and existing shareholders have agreed not to sell any ordinary shares or ADSs for 180 days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions. However, the underwriters may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs. See “Underwriting” and “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling our securities after this offering.

***Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.***

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

***Because the initial public offering price is substantially higher than the pro forma net tangible book value per share, you will experience immediate and substantial dilution.***

If you purchase ADSs in this offering, you will pay more for each ADS than the corresponding amount paid by existing shareholders for their ordinary shares. As a result, you will experience immediate and substantial

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dilution of approximately US\$        per ADS (assuming that no outstanding options to acquire Class A ordinary shares are exercised). This number represents the difference between (1) our pro forma net tangible book value per ADS of US\$        as of June 30, 2018, after giving effect to this offering and (2) the assumed initial public offering price of US\$        per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus. See “Dilution” for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

***We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree.***

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a manner that will improve our results of operations or increase our ADS price, nor that these net proceeds will be placed only in investments that generate income or appreciate in value.

***There can be no assurance that we will not be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ADSs or Class A ordinary shares.***

A non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for any taxable year if either (1) at least 75% of its gross income for such year consists of certain types of “passive” income; or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. Based on our current and expected income and assets (taking into account the expected cash proceeds and our anticipated market capitalization following this offering), we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the second part of the test described above may be determined by reference to the market price of our ADSs. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering.

If we were to be or become a PFIC for any taxable year during which a U.S. Holder (as defined in “Taxation—United States Federal Income Tax Considerations”) holds our ADSs or Class A ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See “Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

***The approval of the China Securities Regulatory Commission may be required in connection with this offering under PRC law.***

The M&A Rules requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and this offering may ultimately require approval from the CSRC. If CSRC approval is required, it is uncertain how long it will take us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies, which could include fines and penalties on our operations in China, restrictions or limitations on our

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ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, results of operations and financial condition.

Our PRC counsel, Han Kun Law Offices, has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for the approval of the listing and trading of our ADSs on the New York Stock Exchange because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation, (ii) the Company established the NIO Co., Ltd., Shanghai NIO Sales and Services Co., Ltd., NIO Energy Investment (Hubei) Co., Ltd., XPT Investment Co., Ltd. and Shanghai XPT Technology Limited, as foreign-invested enterprises by means of direct investment and not through a merger or requisition of the equity or assets of a “PRC domestic company” as such term is defined under the M&A Rule, (iii) no provision in this regulation clearly classifies contractual arrangements as a type of transaction subject to its regulation. However, we cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC counsel, and hence we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from this offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the ADSs. The CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the ADSs offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for this offering, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties and/or negative publicity regarding such approval requirement could have a material adverse effect on the trading price of the ADSs.

***Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our Class A ordinary shares and ADSs.***

We will adopt amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. Our new memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. Our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our Class A ordinary shares and ADSs may be materially and adversely affected.

***You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.***

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman

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Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. [Currently, we do not plan to rely on home country practice with respect to any corporate governance matter.] However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital—Differences in Corporate Law.”

***ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.***

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, subject to the depository’s right to require a claim to be submitted to arbitration, the federal or state courts in the City of New York have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our Class A ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.



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If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and / or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

***Certain judgments obtained against us by our shareholders may not be enforceable.***

We are a Cayman Islands company and the majority of our assets are located outside of the United States. The most significant portion of our operations are conducted in China. In addition, a majority of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons may be located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see “Enforceability of Civil Liabilities.”

***We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.***

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 for so long as we are an emerging growth company until the fifth anniversary from the date of our initial listing.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. [However, we have elected to “opt out” of this provision] and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

***We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.***

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;

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- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the New York Stock Exchange. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely than that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

***The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote your Class A ordinary shares.***

As a holder of our ADSs, you will only be able to exercise the voting rights with respect to the underlying Class A ordinary shares in accordance with the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying Class A ordinary shares in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying shares unless you withdraw the shares. Under our amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering, the minimum notice period required for convening a general meeting is 14 days. When a general meeting is convened, you may not receive sufficient advance notice to withdraw the shares underlying your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

***The depositary for our ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.***

Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depositary with notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent our Class A ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

***Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement.***

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding.

The depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement, although the arbitration provisions do not preclude you from pursuing claims under federal securities laws in federal courts. Also, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. See “Description of American Depositary Shares” for more information.

***You may not receive dividends or other distributions on our Class A ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.***

The depositary of our ADSs has agreed to pay you the cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, Class A ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, Class A ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our Class A ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

***You may experience dilution of your holdings due to inability to participate in rights offerings.***

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

***You may be subject to limitations on transfer of your ADSs.***

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The

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depository may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depository needs to maintain an exact number of ADS holders on its books for a specified period. The depository may also close its books in emergencies, and on weekends and public holidays. The depository may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depository are closed, or at any time if we or the depository thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

***We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an “emerging growth company.”***

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and New York Stock Exchange, impose various requirements on the corporate governance practices of public companies. As a company with less than US\$1.07 billion in net revenues for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to “opt out” of the provision that allow us to delay adopting new or revised accounting standards and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an “emerging growth company,” we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company’s securities. If we were involved in a class action suit, it could divert a significant amount of our management’s attention and other resources from our business, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” Known and unknown risks, uncertainties and other factors, including those listed under “Risk Factors,” may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the electric vehicles industry in China;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, contract manufacturers, component suppliers, third-party service providers, strategic partners and other stakeholders;
- competition in our industry; and
- relevant government policies and regulations relating to our industry.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in “Prospectus Summary—Our Challenges,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” “Regulation” and other sections in this prospectus. You should read thoroughly this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The electric vehicles industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly evolving nature of the electric vehicles industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

## USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US\$ , or approximately US\$ if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US\$ per ADS, which is the midpoint of the price range shown on the front page of this prospectus. A US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per ADS would increase (decrease) the net proceeds to us from this offering by US\$ , assuming the number of ADSs offered by us, as set forth on the front cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- Approximately US\$ for research and development of products, services and technology;
- Approximately US\$ for selling and marketing and development of sales channels, including NIO Houses;
- Approximately US\$ for the development of our manufacturing facilities and the roll-out of our supply chain. We estimate that total capital expenditures in connection with the improvements and installation of equipment at our Shanghai manufacturing facility will be approximately US\$650 million. Half of such expenditures are expected to be financed through net proceeds from this offering, cash on hand obtained through prior equity financing and cash from sales of vehicles, and the other half are expected to be financed through interest-free or low-interest debt financing supported by the relevant Shanghai governmental entities; and
- Approximately US\$ for general corporate purposes and working capital.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See “Risk Factors—Risks Related to Our ADSs and This Offering—We have not determined a specific use for a portion of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.”

Pending any use described above, we plan to invest the net proceeds in short-term, interest-bearing, debt instruments or demand deposits.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our PRC subsidiaries only through loans or capital contributions and to our variable interest entities only through loans, subject to satisfaction of applicable government registration and approval requirements. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

## **DIVIDEND POLICY**

Following this offering, the payment of dividends will be at the discretion of our board of directors, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if we decide to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Regulation—Regulation on Dividend Distributions.”

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to our ADS holders in proportion to ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Description of American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

## CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2018:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares on a one-for-one basis upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares on a one-for-one basis upon the completion of this offering and (ii) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US\$ per ADS, which is the midpoint of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise over-allotment option.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of June 30, 2018					
			Pro forma		Pro forma as adjusted	
	RMB	USD	RMB	USD	RMB	USD
	(in thousands) (unaudited)					
Mezzanine Equity:						
Series A-1 and A-2 convertible redeemable preferred shares (USD0.00025 par value; 295,000,000 authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	8,863,640	1,339,505	—	—		
Series A-3 convertible redeemable preferred shares (USD0.00025 par value; 31,720,364 authorized, 24,210,431 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	735,470	111,147	—	—		
Series B convertible redeemable preferred shares (USD0.00025 par value; 114,867,321 authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	3,584,015	541,629	—	—		
Series C convertible redeemable preferred shares (USD0.00025 par value; 167,142,990 authorized, 166,205,830 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	5,501,198	831,361	—	—		
Series D convertible redeemable preferred shares (USD0.00025 par value; 240,000,000 authorized, 213,585,003 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	7,796,397	1,178,220	—	—		
Redeemable non-controlling interests	1,124,900	169,999	1,124,900	169,999		
Total mezzanine equity	27,605,620	4,171,861	1,124,900	169,999		



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	As of June 30, 2018					
	RMB	USD	Pro forma		Pro forma as adjusted	
			RMB	USD	RMB	USD
	(in thousands)					
	(unaudited)					
Shareholders' Deficit:						
Ordinary shares (USD0.00025 par value; 1,151,269,325 shares authorized as of December 31, 2017 and June 30, 2018; 36,727,350 and 41,178,902 shares issued and 23,850,343 and 31,540,943 shares outstanding as of December 31, 2017 and June 30, 2018, respectively; No shares issued and outstanding on a pro-forma basis as of June 30, 2018)	67	10	—	—		
Class A Ordinary shares (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; 570,511,756 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	944	143		
Class B Ordinary Shares (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; 132,030,222 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	218	33		
Class C Ordinary Shares (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; 148,500,000 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	246	37		
Treasury shares	(9,186)	(1,388)	(9,186)	(1,388)		
Additional paid in capital(2)	169,562	25,625	26,847,735	4,057,325		
Accumulated other comprehensive (loss)	(167,077)	(25,249)	(167,077)	(25,249)		
Accumulated deficit	(21,766,482)	(3,289,429)	(21,766,482)	(3,289,429)		
Total NIO Inc. shareholders' (deficit)/equity	(21,773,116)	(3,290,431)	4,906,398	741,472		
Non-controlling interests	10,531	1,591	10,531	1,591		
Total shareholders' (deficit)/equity(2)	(21,762,585)	(3,288,840)	4,916,929	743,063		
Total liabilities, mezzanine equity and shareholders' equity(2)	10,276,097	1,552,960	10,276,097	1,552,960		

**Notes:**

- (1) The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.
- (2) A US\$1.00 increase (decrease) in the assumed initial public offering price of US\$            per ADS, which is the midpoint of the estimated range of the initial public offering price shown on the front cover of this prospectus, would increase (decrease) each of additional paid-in capital, total shareholders' equity, and total capitalization by US\$            million.

## DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of June 30, 2018 was US\$ , or US\$ per Class A ordinary share as of that date and US\$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US\$ per ADS, which is the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Because the Class A ordinary shares, Class B ordinary shares and Class C ordinary shares have the same dividend and other rights, except for voting and conversion rights, the dilution is presented based on all issued and outstanding ordinary shares, including Class A ordinary shares, Class B ordinary shares and Class C ordinary shares.

Without taking into account any other changes in net tangible book value after June 30, 2018, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of US\$ per ADS, which is the midpoint of the estimated initial public offering price range, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been US\$ , or US\$ per ordinary share and US\$ per ADS. This represents an immediate increase in net tangible book value of US\$ per ordinary share and US\$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US\$ per Class A ordinary share and US\$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	<b>Per Ordinary Share</b>	<b>Per ADS</b>
Assumed initial public offering price	US\$	US\$
Net tangible book value as of June 30, 2018	US\$	US\$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares	US\$	US\$
Pro forma as adjusted net tangible book value after giving effect to the conversion of our preferred shares and this offering	US\$	US\$
Amount of dilution in net tangible book value to new investors in this offering	US\$	US\$

A US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by US\$ , the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US\$ per Class A ordinary share and US\$ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US\$ per Class A ordinary share and US\$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the front cover of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

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The following table summarizes, on a pro forma as adjusted basis as of June 30, 2018, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The total number of ordinary shares does not include Class A ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders		%	US\$	%	US\$	US\$
New investors		%	US\$	%	US\$	US\$
Total		100.0%	US\$	100.0%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The discussion and tables above assume no exercise of any share options outstanding nor any request by holders of restricted shares to register their vested restricted shares as of the date of this prospectus. As of the date of this prospectus, there are                      Class A ordinary shares issuable upon exercise of outstanding share options at a weighted average exercise price of US\$                      per share, and additional                      Class A ordinary shares are issuable upon requests from holders of restricted shares. To the extent that any of these options are exercised, there will be further dilution to new investors.

## EXCHANGE RATE INFORMATION

Our reporting currency is the Renminbi because our business is mainly conducted in China and substantially all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.6171 to US\$1.00, the rate in effect as of June 29, 2018. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign currency and through restrictions on foreign trade. On August 3, 2018, the exchange rate for Renminbi was RMB6.8309 to US\$1.00.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

Period		Certified Exchange Rate			
		Period	Average(1)	Low	High
		End			
		(RMB per US\$1.00)			
2013		6.0537	6.1412	6.2438	6.0537
2014		6.2046	6.1620	6.2591	6.0402
2015		6.4778	6.2827	6.4896	6.1870
2016		6.9430	6.6549	6.9580	6.4480
2017		6.5063	6.7350	6.9575	6.4773
2018					
	February	6.3280	6.3183	6.3471	6.2649
	March	6.2726	6.5000	6.3583	6.2738
	April	6.3325	6.3511	6.3610	6.3325
	May	6.4096	6.3700	6.4175	6.3325
	June	6.6171	6.4651	6.6235	6.3850
	July	6.8038	6.7164	6.8102	6.6123
	August (through August 3)	6.8309	6.8281	6.8380	6.8154

Source: Federal Reserve Statistical Release

Note:

- (1) Annual averages are calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages are calculated by using the average of the daily rates during the relevant month.

## ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include but are not limited to:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and most of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, or to bring an action against us or these individuals in the United States, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Puglisi & Associates as our agent to receive service of process with respect to any action brought against us in the U.S. District Court for the Southern District of New York in connection with this offering under the federal securities laws of the United States or the securities laws of any State in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York in connection with this offering under the securities laws of the State of New York.

We have been advised by our Cayman Islands legal counsel, Maples and Calder (Hong Kong) LLP, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy of the Cayman Islands). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

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Han Kun Law Offices, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Han Kun Law Offices has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against a company in China for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit.

It will be, however, difficult for U.S. shareholders to originate actions against us in the PRC in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding our ADSs or Class A ordinary shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

## CORPORATE HISTORY AND STRUCTURE

We were founded in November 2014, as Nextev Inc., which was changed to our current name NIO Inc. in July 2017. Significant milestones in our development include the following:

### 2015

- In February 2015, we established NIO Nextev Limited (formerly known as Nextev Limited), our wholly-owned subsidiary in Hong Kong. We participated in the inaugural season of the FIA Formula E Championship as the Nextev TCR Formula E Team, and in June 2015, we secured the inaugural FIA Formula E Driver's Championship. In November 2015, we held the inaugural NIO Formula Students Electric China NIO cup in Shanghai.
- In May 2015, NIO Nextev Limited incorporated NIO Co., Ltd. in China to, among other things, be our global headquarters and engage in research and development related activities. In the same month, NIO Nextev Limited established NIO GmbH in Germany as our vehicle design headquarters.
- In November 2015, NIO Nextev Limited established NIO USA, Inc. as our headquarters in the United States to design and develop our software and hardware for autonomous driving systems and other advanced technology modules for our vehicles.
- In December 2015, we established XPT Limited, or XPT, our wholly-owned subsidiary in Hong Kong, to engage in the development of systems and components used in electric vehicles.

### 2016

- In February 2016, NIO Nextev Limited established NIO Nextev (UK) Limited in the United Kingdom as our Formula E and EP9 electric supercar headquarters. NIO Nextev (UK) Limited also provides engineering support for vehicle development in Shanghai.
- In April 2016, NIO Nextev Limited incorporated NIO SPORT Limited in Hong Kong to handle Formula E related business. In April 2016, NIO SPORT Limited purchased the Nextev TCR Formula E Team (now the NIO Formula E Team), which NIO Nextev (UK) Limited operates on behalf of NIO SPORT Limited.
- In May 2016, we entered into a manufacturing cooperation agreement with JAC, pursuant to which the JAC-NIO Cooperation Project (New Energy Vehicle) officially launched since the signing of the framework agreement.
- In April 2016, XPT established XPT Technology Limited in Hong Kong in charge of intellectual property management of the XPT. In the same month, XPT established XPT Inc. in Delaware, the United States as an operational base in the United States to engage in technology development and cooperation. In May 2016, XPT established XPT (Jiangsu) Investment Co., Ltd. as its investment platform in China.
- In October 2016, we obtained an autonomous vehicle testing permit in the State of California.
- In November 2016, we unveiled our NIO brand and the EP9 at the Saatchi Gallery in London.

### 2017

- In January 2017, we established NIO Power Express Limited, our wholly-owned subsidiary, which later incorporated NIO Energy Investment (Hubei) Co., Ltd. in April 2017 to handle power management related businesses.

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- In February 2017, we established NIO User Enterprise Limited, our wholly-owned subsidiary, which incorporated Shanghai NIO Sales and Services Co., Ltd. in March 2017, to handle sales and services of our electric vehicles. In March 2017, we unveiled our vision car, EVE, at South by Southwest 2017 in Austin, Texas. In April 2017, we further unveiled our first volume manufactured passenger car, the ES8, and showcased EP9 and EVE at the 2017 Shanghai International Automobile Industry Exhibition.
- In May 2017, our EP9 electric supercar broke the record for fastest lap for a production car around the Nurburgring in Germany after having already broken the records for fastest autonomous lap and fastest lap for a production car around the Circuit of the Americas in Texas, USA.
- In November 2017, we opened our first NIO House in Beijing. In December 2017, we held our first NIO Day and introduced the ES8 to a widespread audience and began taking orders for the ES8.

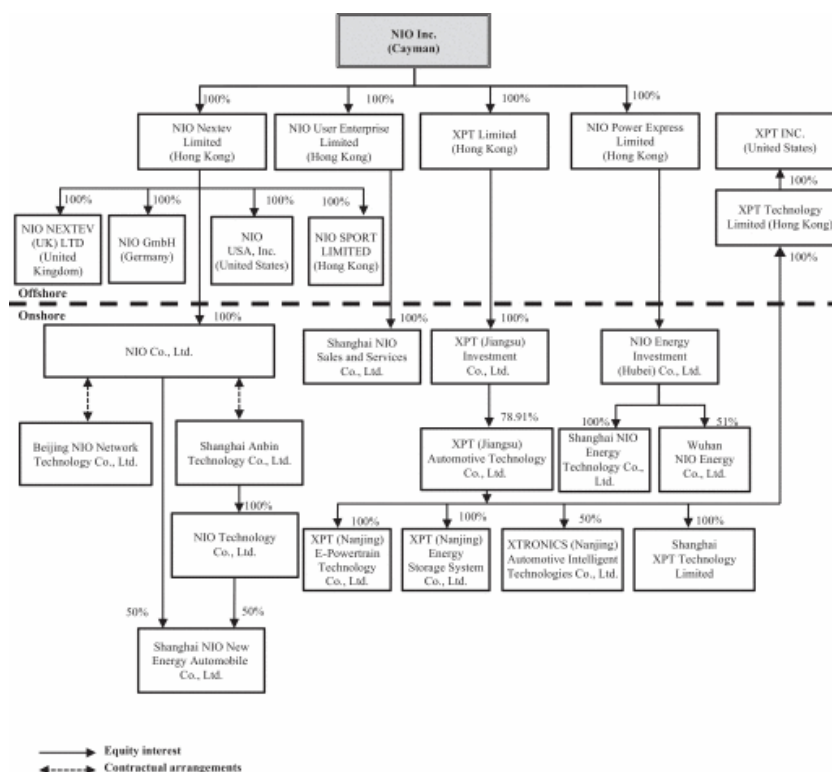
### *2018*

- In March 2018, we were in the first batch of companies to obtain a Shanghai Intelligent Connected Vehicle Test License to test seventeen items including, among others, traffic sign recognition and lane keeping systems in the testing roads.
- In April 2018, we were in the first batch of companies to obtain a Beijing Autonomous Driving Test License to test various items including, among others, perception and compliance with traffic regulations, emergency reaction and manual intervention and integrated driving ability on testing roads.
- In April 2018, we entered into a series of contractual arrangements with Shanghai Anbin and Beijing NIO, our VIEs, and their shareholders to conduct certain of our operations in China in the future.
- In April 2018 and July 2018, XPT Limited, XPT (Jiangsu) Investment Co., Ltd., or XPT Investment, and certain investors entered into a share purchase agreement and a supplementary agreement, respectively, pursuant to which such investors, subject to certain closing conditions, agreed to invest an aggregate RMB1,269.9 million in XPT (Jiangsu) Automotive Technology Co., Ltd., or XPT Automotive, a company established in May 2018. Upon the consummation of the transaction, XPT Investment holds a 78.91% equity interest in XPT Automotive and the other investors hold an aggregate 21.09% equity interest.
- In May 2018, XPT Investment set up XPT Automotive as a wholly owned subsidiary of XPT Investment. XPT Automotive, XPT Limited and XPT Investment entered into a set of agreements, pursuant to which, XPT Limited and XPT Investment transferred the shareholdings in their respective subsidiaries to XPT Automotive. Following the transaction, XPT Technology Limited, XPT Automotive and Shanghai XPT Technology Limited entered into a share transfer agreement, pursuant to which XPT technology Limited agreed to transfer a 100% equity interest in Shanghai XPT Technology Limited to XPT Automotive, as a result of which Shanghai XPT Technology Limited became a wholly owned subsidiary of XPT Automotive.
- In May 2018, XPT (Nanjing) E-Powertrain Technology Co., Ltd. and Nanjing Punch Powertrain Automatic Transmission Co., Ltd. entered into a joint venture agreement to establish a joint venture to develop, produce and sell gear boxes for new energy vehicles and other components of new energy vehicles, and provide after-sales service.



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The chart below summarizes our corporate legal structure and identifies our significant subsidiaries, our VIEs and their significant subsidiaries, as of the date of this prospectus:



## Contractual Agreements with the VIEs and their respective shareholders

### *Shanghai Anbin Technology Co., Ltd.*

The following is a summary of the contractual agreements with NIO Co., Ltd., or NIO WFOE, and Shanghai Anbin Technology Co., Ltd., or Shanghai Anbin.

### *Agreements that provide us with effective control over Shanghai Anbin*

**Power of Attorney.** On April 19, 2018, each shareholder of Shanghai Anbin, Shanghai Anbin and NIO WFOE entered into powers of attorney, respectively. The terms contained in the respective powers of attorney are substantially similar. Pursuant to the powers of attorney, each shareholder of Shanghai Anbin irrevocably authorized NIO WFOE to act on the behalf of such shareholder with respect to all matters concerning the shareholding of the shares in Shanghai Anbin, including without limitation, attending shareholders' meetings of Shanghai Anbin, exercising all the shareholders' rights and shareholders' voting rights, and designating and appointing the legal representative, directors, supervisors, chief executive officer and other senior management members of Shanghai Anbin.

**Loan Agreement.** On April 19, 2018, each shareholder of Shanghai Anbin, Shanghai Anbin and NIO WFOE entered into loan agreements, respectively. The terms contained in the respective loan agreements are

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substantially similar. Pursuant to the loan agreements, the NIO WFOE should provide the shareholders of Shanghai Anbin with a loan in the aggregate amount of RMB30 million for the purpose of contribution of the registered capital of the Shanghai Anbin. The shareholders agree that the proceeds from the transfer of the equity interest of the shareholders in Shanghai Anbin or increase of the working capital of Shanghai Anbin, pursuant to the exercise of the right to acquire such equity interest by NIO WFOE under the exclusive option agreement, should be used by the shareholders to repay the loan to the extent permissible. The loan agreements should become effective upon execution by the parties, and should expire upon the date of full performance by the parties of their respective obligations under the loan agreements.

**Equity Interest Pledge Agreement.** On April 19, 2018, each shareholder of Shanghai Anbin, Shanghai Anbin, and WFOE entered into equity interest pledge agreements, respectively. The terms contained in the respective equity interest pledge agreements are substantially similar. Pursuant to the equity pledge agreements, those shareholders should pledge 100% equity interest in Shanghai Anbin to the NIO WFOE to guarantee the performance by Shanghai Anbin and its shareholders of their obligations under the loan agreement, the exclusive option agreement, the exclusive business cooperation agreement, and the power of attorney. If events of default defined therein occur, upon giving written notice to the shareholders, as pledgee, the NIO WFOE to the extent permitted by PRC laws may exercise the right to enforce the pledge, unless the event of default has been successfully resolved to the satisfaction of NIO WFOE within twenty days after the delivery of the written notice. Those shareholders agree that, without NIO WFOE's prior written consent, during the term of the equity interest pledge agreement, they will not place or permit the existence of any security interest or other encumbrance on the equity interest in Shanghai Anbin or any portion thereof. As of the date of this prospectus, we have completed registering the equity pledge with the relevant office of the SAMR in accordance with the PRC Property Rights Law.

### ***Agreements that allow us to receive economic benefits from Shanghai Anbin***

**Exclusive Business Cooperation Agreement.** On April 19, 2018, Shanghai Anbin and the NIO WFOE entered into an exclusive business cooperation agreement. Pursuant to the exclusive business cooperation agreement, the NIO WFOE has the exclusive right to provide Shanghai Anbin with comprehensive technical support, consulting services and other services. Without prior written consent of the NIO WFOE, Shanghai Anbin should not directly or indirectly accept the same or any similar services provided by any third party regarding the matters contemplated by this agreement. During the term of this agreement where necessary, Shanghai Anbin may enter into further service agreements with NIO WFOE or any other party designated by NIO WFOE, which shall provide the specific contents, methods, personnel, and fees for specific services. Shanghai Anbin should pay the NIO WFOE service fees, which should be determined by the NIO WFOE after considering, among other things, the operation conditions of Shanghai Anbin, contents and value of the services provided by the NIO WFOE. The NIO WFOE will have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or developed during the performance of this agreement. Unless terminated in accordance with the provisions of this agreement or terminated in writing by the NIO WFOE, the agreement shall remain effective.

### ***Agreements that provide us with the option to purchase the equity interests in Shanghai Anbin***

**Exclusive Option Agreement** On April 19, 2018, each shareholder of Shanghai Anbin, Shanghai Anbin and the NIO WFOE entered into exclusive option agreements, respectively. The terms contained in the respective exclusive option agreements are substantially similar. Pursuant to the exclusive option agreement, the shareholders of Shanghai Anbin irrevocably granted the NIO WFOE an irrevocable and exclusive right to purchase, or designate one or more persons to purchase the equity interests in Shanghai Anbin held by the shareholders at a price equal to the amount of registered capital contributed by the shareholders in Shanghai Anbin or any portion thereof or at a price mutually agreed by the NIO WFOE and the shareholders. Those shareholders further undertake that, without the prior written consent of the NIO WFOE, Shanghai Anbin should

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not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in Shanghai Anbin held by its shareholders, or allow the encumbrance thereon, except for the interest placed in accordance with the equity interest pledge agreement, power of attorney and this agreement. Without the prior written consent of the NIO WFOE, shareholders shall cause the shareholders' meeting or the directors (or the executive director) of Shanghai Anbin not to approve the merger or consolidation with any person, or acquisition of or investment in any person. This agreement will remain effective until all equity interests held by those shareholders in Shanghai Anbin have been transferred or assigned to NIO WFOE and/or any other person designated by NIO WFOE in accordance with this agreement.

### ***Beijing NIO Network Technology Co., Ltd.***

The following is a summary of the contractual agreements with the NIO WFOE and Beijing NIO Network Technology Co., Ltd. or Beijing NIO.

### ***Agreements that provide us with effective control over Beijing NIO***

***Power of Attorney.*** On April 19, 2018, each shareholder of Beijing NIO, Beijing NIO and the NIO WFOE entered into powers of attorney, respectively. The terms contained in the respective powers of attorney are substantially similar. Pursuant to the powers of attorney, each shareholder of Beijing NIO irrevocably authorized the WFOE to act on the behalf of such shareholder with respect to all matters concerning the shareholding of the shares in Beijing NIO, including without limitation, attending shareholders' meetings of Beijing NIO, exercising all the shareholders' rights and shareholders' voting rights, and designating and appointing the legal representative, directors, supervisors, chief executive officer and other senior management members of Beijing NIO.

***Loan Agreement.*** On April 19, 2018, each shareholder of Beijing NIO, Beijing NIO and NIO WFOE entered into loan agreements, respectively. The terms contained in the respective loan agreements are substantially similar. Pursuant to the loan agreement, the NIO WFOE should provide the shareholders of Beijing NIO with a loan in aggregate amount of RMB10 million for the purpose of contribution of the registered capital of the Beijing NIO or increase of the working capital of Beijing NIO. The shareholders agree that the proceeds from the transfer of the equity interest of the shareholders in Beijing NIO or for the working capital of Beijing NIO, pursuant to the exercise of the right to acquire such equity interest under the exclusive option agreement, should be used by the shareholders to repay the loan to the extent permissible. The loan agreements should become effective upon execution by the parties, and should expire upon the date of full performance by the parties of their respective obligations under the loan agreements.

***Equity Interest Pledge Agreement.*** On April 19, 2018, each shareholder of Beijing NIO, Beijing NIO, and NIO WFOE entered into equity interest pledge agreements, respectively. The terms contained in the respective equity interest pledge agreements are substantially similar. Pursuant to the equity pledge agreements, those shareholders should pledge 100% equity interest in Beijing NIO to the NIO WFOE to guarantee the performance by Beijing NIO and its shareholders of their obligations under the loan agreement, the exclusive option agreement, the exclusive business cooperation agreement, the power of attorney. If events of default defined therein occur, upon giving written notice to the shareholders, as pledgee, the NIO WFOE to the extent permitted by PRC laws may exercise the right to enforce the pledge, unless the event of default has been successfully resolved to the satisfaction of NIO WFOE within twenty days after the delivery of the written notice. Those shareholders agree that, without NIO WFOE's prior written consent, during the term of the equity interest pledge agreement, they will not place or permit the existence of any security interest or other encumbrance on the equity interest in Beijing NIO or any portion thereof. As of the date of this prospectus, we have completed registering the equity pledge with the relevant office of the SAMR in accordance with the PRC Property Rights Law.

### ***Agreements that allow us to receive economic benefits from Beijing NIO***

***Exclusive Business Cooperation Agreement.*** On April 19, 2018, Beijing NIO and NIO WFOE entered into an exclusive business cooperation agreement. Pursuant to the exclusive business cooperation agreement, NIO

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WFOE has the exclusive right to provide Beijing NIO with comprehensive technical support, consulting services and other services. Without prior written consent of NIO WFOE, Beijing NIO should not directly or indirectly accept the same or any similar services provided by any third party regarding the matters contemplated by this agreement. During the term of this agreement where necessary, Beijing NIO may enter into further service agreements with the NIO WFOE or any other party designated by the NIO WFOE, which shall provide the specific contents, methods, personnel, and fees for specific services. Beijing NIO should pay the NIO WFOE service fees, which should be determined by the NIO WFOE after considering, among other things, the operation conditions of Beijing NIO, contents and value of the services provided by the NIO WFOE. The NIO WFOE will have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or developed during the performance of this agreement. Unless terminated in accordance with the provisions of this agreement or terminated in writing by the NIO WFOE, the agreement shall remain effective.

### ***Agreements that provide us with the option to purchase the equity interests in Beijing NIO***

**Exclusive Option Agreement** On April 19, 2018, each shareholder of Beijing NIO, Beijing NIO and the NIO WFOE entered into exclusive option agreements, respectively. The terms contained in the respective exclusive option agreements are substantially similar. Pursuant to the exclusive option agreement, the shareholders of Beijing NIO irrevocably granted the NIO WFOE an irrevocable and exclusive right to purchase, or designate one or more persons to purchase the equity interests in Beijing NIO held by the shareholders at a price equal to the amount of registered capital contributed by the shareholders in Beijing NIO or any portion thereof, or at a price mutually agreed by the NIO WFOE and the shareholders. Those shareholders further undertake that, without the prior written consent of the NIO WFOE, Beijing NIO should not sell, transfer, mortgage or dispose of in any other manner any legal or equity interest in Beijing NIO held by its shareholders, or allow the encumbrance thereon, except for the interest placed in accordance with the equity interest pledge agreement, power of attorney and this agreement. Without the prior written consent of the NIO WFOE, shareholders shall cause the shareholders' meeting or the directors (or the executive director) of Beijing NIO not to approve the merger or consolidation with any person, or acquisition of or investment in any person. This agreement will remain effective until all equity interests held by those shareholders in Beijing NIO have been transferred or assigned to the NIO WFOE and/or any other person designated by the NIO WFOE in accordance with this agreement.

In the opinion of Han Kun Law Offices, our PRC legal counsel:

- the ownership structures of our VIEs in China and the NIO WFOE, both currently and immediately after giving effect to this offering, comply with all existing PRC laws and regulations; and
- the contractual arrangements between the NIO WFOE, our VIEs and their respective shareholders governed by PRC laws are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. In particular, in January 2015, the MOFCOM published a discussion draft of the proposed Foreign Investment Law for public review and comments. Among other things, the draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of “de facto control” in determining whether a company is considered an FIE. Under the draft Foreign Investment Law, variable interest entities would also be deemed as FIEs, if they are ultimately “controlled” by foreign investors, and be subject to restrictions on foreign investments. It is uncertain when the draft would be signed into law and whether the final version would have any substantial changes from the draft. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our PRC counsel. If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC government restrictions on foreign investment, we may be required to unwind such agreements and/or dispose of such business.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of comprehensive loss and cash flow data for the years ended December 31, 2016 and 2017, and selected consolidated balance sheet data as of December 31, 2016 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of comprehensive loss and cash flow data for the six months ended June 30, 2017 and 2018, and selected consolidated balance sheet data as of June 30, 2018 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Consolidated Financial and Operating Data section together with our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus.

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
(in thousands, except for shares and per share)						
<b>Selected Consolidated Statements of Comprehensive Loss</b>						
Revenue:						
Vehicle sales	—	—	—	—	44,399	6,710
Other sales	—	—	—	—	1,592	241
<b>Total revenues</b>	—	—	—	—	45,991	6,951
Cost of sales:						
Vehicle sales	—	—	—	—	(185,531)	(28,038)
Other sales	—	—	—	—	(13,648)	(2,063)
<b>Total cost of sales</b>	—	—	—	—	(199,179)	(30,101)
Gross loss	—	—	—	—	(153,188)	(23,150)
Operating expenses:(1)						
Research and development(1)	(1,465,353)	(2,602,889)	(393,358)	(1,031,253)	(1,459,344)	(220,541)
Selling, general and administrative(1)	(1,137,187)	(2,350,707)	(355,247)	(964,363)	(1,726,297)	(260,884)
<b>Total operating expenses</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,185,641)	(481,425)
<b>Loss from operations</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,338,829)	(504,575)
Interest income	27,556	18,970	2,867	4,730	49,565	7,490
Interest expenses	(55)	(18,084)	(2,733)	(12,681)	(19,642)	(2,968)
Shares of losses of equity investee	—	(5,375)	(812)	(2,986)	(7,358)	(1,112)
Investment income	2,670	3,498	529	1,991	—	—
Other income/(loss), net	3,429	(58,681)	(8,869)	(11,635)	(4,897)	(740)
<b>Loss before income tax expense</b>	(2,568,940)	(5,013,268)	(757,623)	(2,016,197)	(3,321,161)	(501,905)
Income tax expense	(4,314)	(7,906)	(1,195)	(4,325)	(4,368)	(660)
<b>Net loss</b>	(2,573,254)	(5,021,174)	(758,818)	(2,020,522)	(3,325,529)	(502,565)
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)	(1,139,341)	(6,744,283)	(1,019,220)

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	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands, except for shares and per share)					
Net loss attributable to non-controlling interests	36,938	36,440	5,507	29,271	15,278	2,309
<b>Net loss attributable to ordinary shareholder of NIO Inc.</b>	<u>(3,517,549)</u>	<u>(7,561,669)</u>	<u>(1,142,747)</u>	<u>(3,130,592)</u>	<u>(10,054,534)</u>	<u>(1,519,476)</u>
<b>Net loss</b>	<u>(2,573,254)</u>	<u>(5,021,174)</u>	<u>(758,818)</u>	<u>(2,020,522)</u>	<u>(3,325,529)</u>	<u>(502,565)</u>
<b>Other comprehensive loss</b>						
Foreign currency translation adjustment, net of nil tax	55,493	(124,374)	(18,796)	(29,678)	(153,155)	(23,145)
<b>Total other comprehensive income/(loss)</b>	<u>55,493</u>	<u>(124,374)</u>	<u>(18,796)</u>	<u>(29,678)</u>	<u>(153,155)</u>	<u>(23,145)</u>
<b>Total comprehensive loss</b>	<u>(2,517,761)</u>	<u>(5,145,548)</u>	<u>(777,614)</u>	<u>(2,050,200)</u>	<u>(3,478,684)</u>	<u>(525,710)</u>
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)	(1,139,341)	(6,744,283)	(1,019,220)
Net loss attributable to non-controlling interests	36,938	36,440	5,507	29,271	15,278	2,309
<b>Comprehensive loss attributable to NIO Inc.</b>	<u>(3,462,056)</u>	<u>(7,686,043)</u>	<u>(1,161,543)</u>	<u>(3,160,270)</u>	<u>(10,207,689)</u>	<u>(1,542,621)</u>
<b>Weighted average number of ordinary shares used in computing net loss per share</b>						
Basic and diluted	16,697,527	21,801,525	21,801,525	20,141,298	28,661,459	28,661,459
<b>Net loss per share attributable to ordinary shareholders</b>						
Basic and diluted	(210.66)	(346.84)	(52.42)	(155.43)	(350.80)	(53.01)

Note:

(1) Share-based compensation was allocated in operating expenses as follows:

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
Research and development expenses	14,484	23,210	3,508	10,900	12,418	1,877
Selling, general and administrative expenses	62,200	67,086	10,138	24,938	93,146	14,076
<b>Total</b>	<u>76,684</u>	<u>90,296</u>	<u>13,646</u>	<u>35,838</u>	<u>105,564</u>	<u>15,953</u>

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The following table presents our selected consolidated balance sheet data as of December 31, 2016 and 2017 and June 30, 2018.

	As of December 31,			As of June 30,					
	2016			2018					
	2017			Actual		Pro Forma(1)		Pro Forma As Adjusted(2)	
	RMB	RMB	US\$	RMB	US\$	RMB	US\$	RMB	US\$
(in thousands, except for shares data)									
<b>Selected Consolidated Balance Sheet Data:</b>									
Cash and cash equivalents	581,296	7,505,954	1,134,327	4,423,234	668,455	4,423,234	668,455		
Restricted cash	—	10,606	1,603	20,092	3,036	20,092	3,036		
Property, plant and equipment, net	833,004	1,911,013	288,799	3,189,004	481,934	3,189,004	481,934		
Total assets	1,770,478	10,468,034	1,581,967	10,276,097	1,552,960	10,276,097	1,552,960		
Total liabilities	825,264	2,402,028	363,004	4,433,062	669,939	4,234,268	639,898		
Total mezzanine equity	4,861,574	19,657,786	2,970,755	27,605,620	4,171,861	1,124,900	169,999		
Total shareholders' (deficit)/equity	(3,916,360)	(11,591,780)	(1,751,792)	(21,762,585)	(3,288,840)	4,916,929	743,063		
Total shares outstanding	17,773,459	23,850,343	23,850,343	31,540,943	31,540,943	851,041,978	851,041,978		

Notes:

- (1) The consolidated balance sheet data as of June 30, 2018 are on a pro forma basis to give effect to the automatic conversion of all of our outstanding ordinary shares and preferred shares into 851,041,978 ordinary shares immediately prior to the completion of this offering.
- (2) The consolidated balance sheet data as of June 30, 2018 are adjusted on a pro forma basis to give effect to (i) the automatic conversion of all of our outstanding ordinary shares and preferred shares into 851,041,978 ordinary shares immediately prior to the completion of this offering; and (ii) the sale of Class A ordinary shares in the form of ADSs by us in this offering at an initial public offering price of US\$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the over-allotment option.

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The following table presents our selected consolidated cash flow data for the years ended December 31, 2016 and 2017 and the six months ended June 30, 2017 and 2018.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
<b>Selected Consolidated Cash Flow Data:</b>						
Net cash used in operating activities	(2,201,564)	(4,574,719)	(691,349)	(2,132,644)	(3,634,780)	(549,301)
Net cash provided by/ (used in) investing activities	117,843	(1,190,273)	(179,879)	(1,721,738)	(1,153,962)	(174,391)
Net cash provided by financing activities	2,292,704	12,867,334	1,944,558	4,694,897	1,897,832	286,808
Effects of exchange rate changes on cash and cash equivalents	40,539	(168,120)	(25,407)	(18,567)	(160,219)	(24,214)
Net increase/(decrease) in cash and cash equivalents	249,522	6,934,222	1,047,923	821,948	(3,051,129)	(461,098)
Cash, cash equivalents and restricted cash at beginning of the year/period	347,109	596,631	90,167	596,631	7,530,853	1,138,090
Cash, cash equivalents and restricted cash at end of the year/period	<u>596,631</u>	<u>7,530,853</u>	<u>1,138,090</u>	<u>1,418,579</u>	<u>4,479,724</u>	<u>676,992</u>



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Special Note Regarding Forward-Looking Statements" and elsewhere in this prospectus.*

### Overview

We are a pioneer in China's premium electric vehicle market. We design, jointly manufacture, and sell smart and connected premium electric vehicles, driving innovations in the next generation technologies in connectivity, autonomous driving and artificial intelligence. Redefining user experience, we aim to provide users with comprehensive, convenient and innovative charging solutions and other user-centric service offerings.

We launched our first volume manufactured electric vehicle, the ES8, to the public at our NIO Day event on December 16, 2017 and began making deliveries to users on June 28, 2018. The ES8 is a 7-seater all aluminum alloy body, premium electric SUV that offers exceptional performance, functionality and mobility lifestyle. It is equipped with our proprietary e-propulsion system capable of accelerating from zero to 100 km per hour in 4.4 seconds and delivering a New European Driving Cycle driving range of up to 355 km and maximum range of up to 500 km in a single charge. As of July 31, 2018, we had received over 17,000 unfulfilled ES8 reservations with deposits.

We plan to launch our second volume manufactured electric vehicle, the ES6, by the end of 2018 and start initial deliveries in the first half of 2019. The ES6 is a 5-seater, high-performance premium electric SUV, set at a lower price point than the ES8 to target a broader customer base.

We aim to create the most worry-free experience for our users, online or offline, at home or on-the-go. In response to common concerns over the accessibility and convenience of EV charging, we offer a comprehensive, convenient and innovative suite of charging solutions. These solutions include Power Home, our home charging solution, Power Swap, our innovative battery swapping service, Power Mobile, our mobile charging service through charging trucks, and Power Express, our 24-hour on-demand pick-up and drop-off charging service. In addition, our vehicles are compatible with China's national charging standards and have access to a nationwide publicly accessible charging network of over 214 thousand public charging piles, 59.6% of which are superchargers. Beyond charging solutions, we offer comprehensive value-added services to our users, such as statutory and third-party liability insurance and car damage insurance through third-party insurers, repair and routine maintenance services, courtesy car during lengthy repairs and maintenance, nationwide roadside assistance, as well as enhanced data packages. We believe these solutions and services, together, will create a holistic user experience throughout the vehicle lifecycle.

We adopt an innovative sales model compared to incumbent automobile manufacturers. We sell our vehicles through our own sales network, including NIO Houses and our mobile application. NIO Houses are not only the showrooms for our vehicles, but also clubhouses for our customers with multiple social functions. Prospective users can place orders in our mobile application and more importantly, our mobile application fosters a dynamic and interactive online platform. We believe our online and offline integrated community which is developing from our NIO Houses and mobile application will retain user engagement and cultivate loyalty to our brand, along with other successful branding activities such as our annual NIO Day and our championship winning Formula E team.

We began making deliveries of the ES8 to users on June 28, 2018, and we recorded revenues of RMB46.0 million (US\$7.0 million) in June 2018, which mainly consisted of revenues from the sales of our vehicles,

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revenues from our services including charging solutions such as our energy package and one-off usage of our Power Express services as well as revenue from monthly fees, excluding those fees for statutory and third-party liability insurance and car damage insurance paid directly to third-party insurers, under our service package.

The ES8 is manufactured in partnership with JAC at its Hefei manufacturing plant and we also plan to initially manufacture the ES6 in partnership with JAC at the plant. Pursuant to our arrangement with JAC, given JAC's significant investment in this plant for the manufacturing of our vehicles, we have agreed to compensate JAC to the extent the Hefei manufacturing plant incurs any operating losses for the first 36 months after the plant commences mass production, which occurred on April 10, 2018. We expect that the Hefei manufacturing plant's ability to achieve and/or maintain profitability will be significantly affected by our sales volumes. If we are obligated to compensate JAC for any losses, our cash flows and financial position could be materially impacted, particularly if such losses are incurred as a result of lower than anticipated sales volumes. See "Risk Factors—Manufacturing in collaboration with partners is subject to risks."

## Results of Operations

The following table sets forth a summary of our consolidated statements of operations for the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
<b>Revenue:</b>						
Vehicle sales	—	—	—	—	44,399	6,710
Other sales	—	—	—	—	1,592	241
<b>Total revenues</b>	—	—	—	—	45,991	6,951
<b>Cost of sales:</b>						
Vehicle sales	—	—	—	—	(185,531)	(28,038)
Other sales	—	—	—	—	(13,648)	(2,063)
<b>Total cost of sales</b>	—	—	—	—	(199,179)	(30,101)
Gross loss	—	—	—	—	(153,188)	(23,150)
<b>Operating expenses:(1)</b>						
Research and development(1)	(1,465,353)	(2,602,889)	(393,358)	(1,031,253)	(1,459,344)	(220,541)
Selling, general and administrative(1)	(1,137,187)	(2,350,707)	(355,247)	(964,363)	(1,726,297)	(260,884)
<b>Total operating expenses</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,185,641)	(481,425)
<b>Loss from operations</b>	(2,602,540)	(4,953,596)	(748,605)	(1,995,616)	(3,338,829)	(504,575)
Interest income	27,556	18,970	2,867	4,730	49,565	7,490
Interest expenses	(55)	(18,084)	(2,733)	(12,681)	(19,642)	(2,968)
Share of losses of equity investee	—	(5,375)	(812)	(2,986)	(7,358)	(1,112)
Investment income	2,670	3,498	529	1,991	—	—
Other income/(loss), net	3,429	(58,681)	(8,869)	(11,635)	(4,897)	(740)
<b>Loss before income tax expense</b>	(2,568,940)	(5,013,268)	(757,623)	(2,016,197)	(3,321,161)	(501,905)
Income tax expense	(4,314)	(7,906)	(1,195)	(4,325)	(4,368)	(660)
<b>Net loss</b>	(2,573,254)	(5,021,174)	(758,818)	(2,020,522)	(3,325,529)	(502,565)

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Note:

(1) Share-based compensation was allocated in operating expenses as follows:

	Year Ended December 31,			Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands)					
Research and development expenses	14,484	23,210	3,508	10,900	12,418	1,877
Selling, general and administrative expenses	62,200	67,086	10,138	24,938	93,146	14,076
Total	76,684	90,296	13,646	35,838	105,564	15,953

## Description of Certain Principal Comprehensive Income Statement Line Items

### Revenues

The following table presents our revenue components by amount and as a percentage of the total revenues for the periods presented.

	Year Ended December 31,			Six Months Ended June 30,			
	2016	2017		2017	2018		
	RMB	RMB	US\$	RMB	RMB	US\$	%
	(in thousands, except for percentages)						
<b>Revenue:</b>							
Vehicle sales	—	—	—	—	44,399	6,710	96.5
Other sales	—	—	—	—	1,592	241	3.5
<b>Total revenues</b>	—	—	—	—	45,991	6,951	100.0

We began generating revenues in June 2018, when we began making deliveries and sales of the ES8. We currently generate revenues from (i) vehicle sales, which consist of revenues from sales of the ES8, together with a number of embedded products and services, and (ii) other sales, which mainly consist of revenues from sales of our energy package and service package. Embedded services and products include charging piles, vehicle internet connection service and extended lifetime warranty. Revenue from sales of the ES8 and charging piles are recognized when the vehicles are delivered and charging piles are installed. For vehicle internet connection service and extended lifetime warranty, we recognize revenue using a straight-line method. Revenues for the energy package or service package are recognized over time on a monthly basis as our customers receive and consume the benefits.

### Cost of sales

The following table presents our cost of sales components by amount and as a percentage of our total cost of sales for the periods presented.

	Year Ended December 31,			Six Months Ended June 30,			
	2016	2017		2017	2018		
	RMB	RMB	US\$	RMB	RMB	US\$	%
	(in thousands, except for percentages)						
<b>Cost of sales:</b>							
Vehicle sales	—	—	—	—	(185,531)	(28,038)	93.1
Other sales	—	—	—	—	(13,648)	(2,063)	6.9
<b>Total cost of sales</b>	—	—	—	—	(199,179)	(30,101)	100.0

We incur cost of sales in relation to (i) vehicle sales, including, among others, purchases of raw materials and manufacturing expenses, and (ii) other sales, including cost of sales relating to our energy package and service package, the installment of charging piles and directly related staff costs. Cost of sales with respect to vehicle sales also includes compensation to JAC for actual losses incurred at the Hefei manufacturing plant where the ES8 is manufactured.

## Operating Expenses

### Research and Development Expenses

The following table sets forth the principal components of our research and development expenses by amount and as a percentage of our total research and development expenses for the periods presented.

	Year Ended December 31,						Six Months Ended June 30,					
	2016			2017			2017			2018		
	RMB	%	RMB	US\$	%		RMB	%	RMB	US\$	%	
	(in thousands, except for percentages)											
Design and development expenses	948,753	64.8	1,455,297	219,930	55.9		537,418	52.1	600,576	90,761	41.2	
Employee compensation	451,284	30.8	1,044,835	151,854	38.6		441,577	42.8	745,515	112,665	51.1	
Travel expenses	27,085	1.8	60,622	9,161	2.3		23,284	2.3	42,165	6,372	2.9	
Depreciation and amortization expenses	7,819	0.5	38,940	5,885	1.5		16,903	1.6	37,144	5,613	2.5	
Rental and related expenses	10,485	0.7	12,367	1,869	0.5		4,829	0.5	15,368	2,322	1.0	
Others	19,927	1.4	30,828	4,659	1.2		7,242	0.7	18,576	2,807	1.3	
<b>Total</b>	<b>1,465,353</b>	<b>100.0</b>	<b>2,602,889</b>	<b>393,358</b>	<b>100.0</b>		<b>1,031,253</b>	<b>100.0</b>	<b>1,459,344</b>	<b>220,541</b>	<b>100.0</b>	

Research and development expenses consist primarily of (i) design and development expenses, which include, among others, consultation fees, outsourcing fees and testing materials and (ii) employee compensation, representing salaries, welfare and bonuses as well as share-based compensation expenses for our research and development staff. Our research and development expenses also include travel expenses, depreciation and amortization of equipment used in relation to our research and development activities, rental and related expenses with respect to laboratories and offices for research and development teams and others, which primarily consists of telecommunication expenses, office fees and freight charges, among others.

Our research and development expenses are mainly driven by the number of our research and development employees, the stage and scale of our vehicle development and development of technology.

### Selling, General and Administrative Expenses

The following table sets forth the principal components of our selling, general and administrative expenses by amount and as a percentage of our total selling, general and administrative expenses for the periods presented.

	Year Ended December 31,						Six Months Ended June 30,					
	2016			2017			2017			2018		
	RMB	%	RMB	US\$	%		RMB	%	RMB	US\$	%	
	(in thousands, except for percentages)											
Employee compensation	473,302	41.6	929,928	140,534	39.6		399,729	41.5	796,121	120,313	46.1	
Marketing and promotional expenses	239,549	21.1	523,535	79,118	22.3		220,136	22.8	263,844	39,873	15.3	
Rental and related expenses	91,535	8.0	216,111	32,659	9.2		73,513	7.6	174,567	26,381	10.1	
Professional services	133,368	11.7	238,740	36,079	10.2		121,001	12.5	185,683	28,061	10.8	
Depreciation and amortization expenses	38,268	3.4	128,918	19,483	5.5		49,616	5.1	107,930	16,311	6.2	
IT consumable, office supply and other low value consumables	21,621	1.9	114,668	17,329	4.9		25,288	2.6	59,598	9,007	3.4	
Travel expenses	32,572	2.9	71,278	10,772	3.0		23,725	2.5	57,922	8,753	3.4	
Others	106,972	9.4	127,529	19,273	5.3		51,355	5.4	80,632	12,185	4.7	
<b>Total</b>	<b>1,137,187</b>	<b>100.0</b>	<b>2,350,707</b>	<b>355,247</b>	<b>100.0</b>		<b>964,363</b>	<b>100.0</b>	<b>1,726,297</b>	<b>260,884</b>	<b>100.0</b>	

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Our selling, general and administrative expenses include (i) employee compensation including salaries, welfares and bonuses as well as share-based compensation expenses with respect to our employees other than research and development staff, (ii) marketing and promotional expenses, which primarily consist of marketing and advertising costs, sponsorship fees and racing costs related to our Formula E team, (iii) rental and related expenses, which primarily consist of rental for NIO Houses and other rented additional facilities in relation to our charging network and offices, (iv) professional service expenses, which consist of outsourcing fees primarily relating to human resources and IT functions, design fees paid for NIO Houses and fees paid to auditors and legal counsel, (v) depreciation and amortization expenses, primarily consisting of depreciation and amortization of leasehold improvements, IT equipment and software, among others, (vi) low value consumables, primarily consisting of, among others, IT consumables, office supplies, sample fees, IT-system related licenses, (vii) traveling expenses, and (viii) others, which includes expenses incurred in connection with our annual NIO Day and other miscellaneous expenses.

Our selling, general and administrative expenses are significantly affected by the number of our non-research and development employees, marketing and promotion activities and the expansion of our sales and after-sales network, including NIO Houses and other leased properties.

### ***Interest Income***

Interest income primarily consists of interest earned on cash deposits in banks. In 2016, interest income also consisted of late payment penalties which we recorded as interest income related to a preferred shareholder having delayed an investment payment which was due in 2016.

### ***Interest Expense***

Interest expense consists of interest expense with respect to our indebtedness.

### ***Share of losses of Equity Investee***

Share of losses of equity investee primarily consists of our share of the losses of Suzhou Zenlead XPT New Energy Technologies Co., Ltd., in which, as of June 30, 2018, we held a 35% equity interest. Our equity interest is accounted for using the equity method since we exercise significant influence but do not own a majority equity interest in or control Suzhou Zenlead XPT New Energy Technologies Co., Ltd.

### ***Investment Income***

Investment income primarily consists of gains on trading in short-term investment securities, primarily consisting of structured bank deposits.

### ***Other (Loss)/Income—Net***

Other losses and income primarily consist of gains or losses we incur based on movements between the U.S. dollar and the RMB. We have historically held a significant portion of our cash and cash equivalents in U.S. dollars, while we have incurred a significant portion of our expenses in RMB. Other income also includes certain income we received with respect to one-off design and research and development services and rental of office space we have provided primarily to related parties.

### ***Income Tax Expense***

Income tax expense primarily consists of current income tax expense, mainly attributable to intra-group income earned by our German subsidiary which is eliminated upon consolidation but was subject to tax in accordance with applicable tax law.

## **Comparison of Six Months Ended June 30, 2017 and 2018**

### ***Revenues***

We recorded revenues of RMB46.0 million (US\$7.0 million) for vehicle sales and other sales for the six months ended June 30, 2018, as we began making deliveries of our first volume manufactured electric vehicle, the ES8, on June 28, 2018 and delivered 100 vehicles by June 30, 2018. We did not record any revenues for the six months ended June 30, 2017.

### ***Cost of sales***

We recorded cost of sales of RMB199.2 million (US\$30.1 million) for the six months ended June 30, 2018. Our cost of sales mainly consists of (i) direct parts and materials of RMB67.4 million; (ii) processing fee and compensation to JAC for its operating losses incurred during the same period in the amount of RMB65.9 million; (iii) manufacturing overhead (including depreciation of assets associated with the production) of RMB53.4 million; and (iv) labor costs that are associated with sales of energy and service packages of RMB9.2 million. We did not record any cost of sales for the six months ended June 30, 2017.

### ***Research and Development Expenses***

Research and development expenses increased by 41.5% from RMB1,031.3 million in the six months ended June 30, 2017 to RMB1,459.3 million (US\$220.5 million) in the six months ended June 30, 2018, primarily due to (i) a 68.8% increase in employee compensation, which increased from RMB441.6 million in the six months ended June 30, 2017 to RMB745.5 million (US\$112.7 million) in the six months ended June 30, 2018, as the number of our research and development employees increased by approximately 80% from June 30, 2017 to June 30, 2018, (ii) a 11.8% increase in design and development expenses, which increased from RMB537.4 million in the six months ended June 30, 2017 to RMB600.6 million (US\$90.8 million) in the six months ended June 30, 2018, as we engaged in frequent tests for the preparation of ES8 delivery, and (iii) a 81.1% increase in travel expenses, which increased from RMB23.3 million in the six months ended June 30, 2017 to RMB42.2 million (US\$6.4 million) in the six months ended June 30, 2018, as our number of employees increased rapidly and employees increased their travel frequencies for deliveries of ES8 in the second quarter of 2018.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased by 79.0% from RMB964.4 million in the six months ended June 30, 2017 to RMB1,726.3 million (US\$260.9 million) in the six months ended June 30, 2018, primarily due to, (i) a 99.2% increase in employee compensation with respect to our non-research and development employees, which increased from RMB399.7 million in the six months ended June 30, 2017 to RMB796.1 million (US\$120.3 million) in the six months ended June 30, 2018, primarily due to an increase in the number of non-research and development employees by approximately 170% from June 30, 2017 to June 30, 2018, in line with the expansion of our business, (ii) a 137.5% increase in rental and related expenses, which increased from RMB73.5 million in the six months ended June 30, 2017 to RMB174.6 million (US\$26.4 million) in the six months ended June 30, 2018, as we established our network of NIO Houses and rented additional facilities for our charging network and office space, and (iii) a 19.9% increase in marketing and promotional expenses, which increased from RMB220.1 million in the six months ended June 30, 2017 to RMB263.8 million (US\$39.9 million) in the six months ended June 30, 2018, as we increased our marketing and advertising expenses for the ES8 in the second quarter of 2018 and incurred costs relating to an auto exhibition in Beijing in May 2018.

### ***Loss from Operations***

As a result of the foregoing, we incurred a loss from operations of RMB3,338.8 million (US\$504.6 million) in the six months ended June 30, 2018, as compared to a loss of RMB1,995.6 million in the six months ended June 30, 2017.

***Interest Income***

In the six months ended June 30, 2018, we recorded interest income of RMB49.6 million (US\$7.5 million) as compared to RMB4.7 million in the six months ended June 30, 2017, primarily due to the interest income received on higher cash balances deposited with banks in the six months ended June 30, 2018.

***Interest Expenses***

We recorded interest expenses of RMB19.6 million (US\$3.0 million) in the six months ended June 30, 2018 as compared to RMB12.7 million in the six months ended June 30, 2017, primarily due to an increase in our indebtedness for the six months ended June 30, 2018.

***Share of Losses of Equity Investee***

We recorded share of losses of equity investee of RMB7.4 million (US\$1.1 million) in the six months ended June 30, 2018 as compared to RMB3.0 million in the six months ended June 30, 2017, mainly consisting of our share of the losses in Suzhou Zenlead XPT New Energy Technologies Co., Ltd.

***Investment Income***

We recorded investment income of RMB2.0 million in the six months ended June 30, 2017. In the six months ended June 30, 2018, we did not record any investment income.

***Other Income/(Loss), Net***

We recorded other losses of RMB4.9 million (US\$0.7 million) in the six months ended June 30, 2018, as compared to other losses of RMB11.6 million in the six months ended June 30, 2017, primarily due to the appreciation of RMB against the U.S. dollar. For the six months ended June 30, 2018, we held a significant portion of our cash and cash equivalents in U.S. dollars, while we incurred a significant portion of our expenses in RMB.

***Income Tax Expense***

In the six months ended June 30, 2018, our income tax expense was RMB4.4 million (US\$0.7 million), as compared to RMB4.3 million in the six months ended June 30, 2017. These income taxes represented income taxes paid with respect to transfer pricing compensation for our operations in Germany.

***Net Loss***

As a result of the foregoing, we incurred net loss of RMB3,325.5 million (US\$502.6 million) in the six months ended June 30, 2018, as compared to a net loss of RMB2,020.5 million in the six months ended June 30, 2017.

**Comparison of 2017 and 2016*****Research and Development Expenses***

Research and development expenses increased by 77.6% from RMB1,465.4 million in 2016 to RMB2,602.9 million (US\$393.4 million) in 2017, primarily due to (i) a 53.4% increase in design and development expenses, which increased from RMB948.8 million in 2016 to RMB1,455.3 million (US\$219.9 million) in 2017, as we engaged in trial production of the ES8 and advanced the development of the ES6 and (ii) a 122.7% increase in employee compensation, which increased from RMB451.3 million in 2016 to RMB1,004.8 million (US\$151.9 million) in 2017, as the number of our research and development employees increased by approximately 90.0% from December 31, 2016 to December 31, 2017.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased by 106.7% from RMB1,137.2 million in 2016 to RMB2,350.7 million (US\$355.2 million) in 2017, due to, among others, (i) a 96.5% increase in employee compensation with respect to our non-research and development employees, which increased from RMB473.3 million in 2016 to RMB929.9 million (US\$140.5 million) in 2017, primarily resulting from our number of non-research and development employees increased by approximately 90.0% from December 31, 2016 to December 31, 2017, in line with the expansion of our business, (ii) an 118.5% increase in marketing and promotional expenses, which increased from RMB239.6 million in 2016 to RMB523.5 million (US\$79.1 million) in 2017 as marketing and promotional activities increased, as we prepared to launch of our first volume manufactured vehicle, the ES8, (iii) a 136.2% increase in rental and related expenses, which increased from RMB91.5 million in 2016 to RMB216.1 million (US\$32.7 million) in 2017, as we began to establish our network of NIO Houses and rented additional facilities in relation to our charging network and office space and (iv) increased depreciation and amortization expenses, resulting from our increased depreciable assets, including leasehold improvements, IT equipment and software, among others, as our business expanded. The increase was also due to increased low value consumable expenses, travel expenses and other expenses.

***Loss from Operations***

As a result of the foregoing, we incurred a loss from operations of RMB4,953.6 million (US\$748.6 million) in 2017, as compared to a loss of RMB2,602.5 million in 2016.

***Interest Income***

In 2017, we recorded interest income of RMB19.0 million (US\$2.9 million) as compared to RMB27.6 million in 2016, primarily due to a preferred shareholder having delayed its investment payment due in 2016, which resulted in penalties which we recorded as interest income in 2016.

***Interest Expense***

In 2017, we recorded interest expense of RMB18.1 million (US\$2.7 million), as compared to interest expense of RMB55,000 in 2016, primarily due to the increase in our indebtedness in 2017.

***Share of Losses of Equity Investee***

We recorded share of losses of equity investee of RMB5.4 million (US\$0.8 million) in 2017, consisting of our share of the losses of Suzhou Zenlead XPT New Energy Technologies Co., Ltd. We did not record any share of losses of equity investee in 2016.

***Investment Income***

In 2017, we recorded investment income of RMB3.5 million (US\$0.5 million) as compared to RMB2.7 million in 2016, primarily due to a larger size of investment in 2017 as compared to 2016.

***Other Income/(Loss)—Net***

We recorded other losses of RMB58.7 million (US\$8.9 million) in 2017, as compared to other income of RMB3.4 million in 2016, primarily due to the appreciation of RMB against the U.S. dollar. In 2017 we held a significant portion of our cash and cash equivalents in U.S. dollars, while a significant portion of our expenses were incurred in RMB.



### ***Income Tax Expense***

In 2017, our income tax expense was RMB7.9 million (US\$1.2 million), an increase of 83.3% from RMB4.3 million in 2016, primarily due to income taxes paid with respect to transfer pricing compensation to our operations in Germany.

### ***Net Loss***

As a result of the foregoing, we incurred net loss of RMB5,021.2 million (US\$758.8 million) in 2017, as compared to a net loss of RMB2,573.3 million in 2016.

## **Taxation**

### ***Cayman Islands***

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty.

There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

### ***PRC***

Generally, our PRC subsidiaries are subject to enterprise income tax on their taxable income in China at a statutory rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

We are primarily subject to value-added tax at a rate of 6% on the services (research and development services, technology services, information technology services and/or culture and creativity services), in each case less any deductible value-added tax we have already paid or borne. We are also subject to surcharges on value-added tax payments in accordance with PRC law.

Dividends paid by our PRC subsidiaries in China to our Hong Kong subsidiaries will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority. If our Hong Kong subsidiaries satisfy all the requirements under the tax arrangement and receives approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiaries would be subject to withholding tax at the standard rate of 5%. Effective from November 1, 2015, the above mentioned approval requirement has been abolished, but a Hong Kong entity is still required to file application package with the relevant tax authority, and settle the overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%.

Under the PRC Enterprise Income Tax Law, research and development expenses incurred by an enterprise in the course of carrying out research and development activities that has not formed intangible assets and are included in the profit and loss account for the current year. Besides deducting the actual amount of research and development expenses incurred, an enterprise is allowed an additional 50% deduction of the amount in calculating its taxable income for the relevant year. For research and development expenses that have formed intangible assets, the tax amortization is based on 150% of the costs of the intangible assets.

## Selected Quarterly Results of Operations

The following table sets forth our historical unaudited consolidated selected quarterly results of operations for the periods indicated.

	For the Three Months Ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
	RMB	RMB	RMB	RMB	RMB	RMB
	( in thousands)					
Revenue:						
Vehicle sales	—	—	—	—	—	44,399
Other sales	—	—	—	—	—	1,592
<b>Total revenues</b>	—	—	—	—	—	45,991
Cost of sales:						
Vehicle sales	—	—	—	—	—	(185,531)
Other sales	—	—	—	—	—	(13,648)
<b>Total cost of sales</b>	—	—	—	—	—	(199,179)
Gross loss	—	—	—	—	—	(153,188)
Operating expenses:						
Research and development	(509,313)	(521,940)	(747,209)	(824,427)	(694,139)	(765,205)
Selling, general and administrative	(443,262)	(521,101)	(540,648)	(845,696)	(769,729)	(956,568)
<b>Loss from operations</b>	(952,575)	(1,043,041)	(1,287,857)	(1,670,123)	(1,463,868)	(1,874,961)
Interest income	1,881	2,849	4,802	9,438	28,437	21,128
Interest expenses	—	(12,681)	(2,304)	(3,099)	(5,200)	(14,442)
Share of losses of equity investee	—	(2,986)	(1,900)	(489)	(833)	(6,525)
Investment income	101	1,890	1,507	—	—	—
Other loss, net	(7,796)	(3,839)	(13,667)	(33,379)	(87,675)	82,778
<b>Loss before income tax expense</b>	(958,389)	(1,057,808)	(1,299,419)	(1,697,652)	(1,529,139)	(1,792,022)
Income tax expense	(2,182)	(2,143)	(1,256)	(2,325)	(1,883)	(2,485)
<b>Net loss</b>	<u>(960,571)</u>	<u>(1,059,951)</u>	<u>(1,300,675)</u>	<u>(1,699,977)</u>	<u>(1,531,022)</u>	<u>(1,794,507)</u>

We began making deliveries of our first volume manufactured electric vehicle, the ES8, on June 28, 2018, and recorded revenues of RMB46.0 million (US\$7.0 million) in June 2018. Our losses were mainly the result of our research and development expenses and selling, general and administrative expenses. As we ramped up the development and manufacture of ES8 in the fourth quarter of 2017, our research and development expenses increased significantly compared with the first quarter of 2017, which was mainly attributable to increased research and development employee compensation and expenses relating to design and production of the ES8. In line with our business expansion, our selling, general administrative expenses also increased in the fourth quarter of 2017 as we hired additional marketing and sales employees, conducted more marketing and promotional activities to prepare for the launch of ES8, and established and expanded our network of NIO Houses, delivery centers and manufacturing factories.

Because of our limited operating history our business has not yet experienced the effects of seasonality, though we may do so in the future. See “—Seasonality.”

## Liquidity and Capital Resources

In addition to experiencing net losses during the periods presented, we had net cash used in operating activities of RMB2,201.6 million, RMB4,574.7 million (US\$691.3 million) and RMB3,634.8 million (US\$549.3 million) in 2016, 2017 and the six months ended June 30, 2018, respectively. Our principal sources of liquidity have been cash raised from the issuance of preference shares and banking facilities.

As of June 30, 2018, we had a total of RMB4,423.2 million (US\$668.5 million) in cash and cash equivalents. As of June 30, 2018, 44% of our cash and cash equivalents were denominated in Renminbi and held in the PRC, and the other cash and cash equivalents and restricted cash were mainly denominated in U.S. dollars or Hong Kong dollars and held in the United States or Hong Kong. Our cash and cash equivalents consist primarily of cash on hand, time deposits and highly-liquid investments placed with banks or other financial institutions, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less.

As of June 30, 2018, we had available banking facilities of RMB4,765.0 million (US\$720.1 million), of which RMB872.3 million (US\$131.8 million) was utilized for borrowings and RMB61.1 million (US\$9.2 million) for letters of credit.

We believe that our current cash and cash equivalents, available banking facilities, anticipated cash receipts from sales of vehicles and provision of services and proceeds from third-party equity investments in certain of our subsidiaries, will be sufficient to meet our anticipated working capital requirements and capital expenditures for the next 12 months. We may, however, decide to enhance our liquidity position or increase our cash reserve for future investments or operations through additional capital and finance funding. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations.

The following table sets forth a summary of our cash flows for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2016	2017		2017	2018	
	RMB	RMB	US\$	RMB	RMB	US\$
(in thousands)						
<b>Summary of Consolidated Cash Flow Data:</b>						
Net cash used in operating activities	(2,201,564)	(4,574,719)	(691,349)	(2,132,644)	(3,634,780)	(549,301)
Net cash provided by / (used in) investing activities	117,843	(1,190,273)	(179,879)	(1,721,738)	(1,153,962)	(174,391)
Net cash provided by financing activities	2,292,704	12,867,334	1,944,558	4,694,897	1,897,832	286,808
Effects of exchange rate changes on cash and cash equivalents	40,539	(168,120)	(25,407)	(18,567)	(160,219)	(24,214)
Net increase/(decrease) in cash and cash equivalents	249,522	6,934,222	1,047,923	821,948	(3,051,129)	(461,098)
Cash, cash equivalents and restricted cash at beginning of the year/period	347,109	596,631	90,167	596,631	7,530,853	1,138,090
Cash, cash equivalents and restricted cash at end of the year/period	<u>596,631</u>	<u>7,530,853</u>	<u>1,138,090</u>	<u>1,418,579</u>	<u>4,479,724</u>	<u>676,992</u>

### ***Operating Activities***

Net cash used in operating activities was RMB3,634.8 million (US\$549.3 million) in the six months ended June 30, 2018, primarily attributable to a net loss of RMB3,325.5 million (US\$502.6 million), adjusted for (i) non-cash items of RMB267.5 million (US\$40.4 million), which primarily consisted of depreciation and amortization of RMB145.1 million (US\$21.9 million), share-based compensation expenses of RMB105.6 million (US\$16.0 million) and foreign exchange loss of RMB9.4 million (US\$1.4 million) and (ii) a net decrease in working capital of RMB576.8 million (US\$87.2 million). The net decrease in working capital was primarily attributable to an increase in inventories of RMB632.4 million (US\$95.6 million), primarily related to purchase of raw materials, works in progress and finished goods, and an increase in prepayments and other current assets of RMB539.4 million (US\$81.5 million), consisting primarily of deductible value-added tax and prepaid expenses, partially offset by an increase in trade payable and accruals and other liabilities of RMB610.0 million (US\$92.2 million), consisting primarily of reservation and deposit fees from customers and payables to a key management team member, including the repayment in full of a non-recourse loan and payables in connection with the share-based compensation to this key management team member.

Net cash used in operating activities was RMB4,574.7 million (US\$691.3 million) in 2017, primarily attributable to a net loss of RMB5,021.2 million (US\$758.8 million), adjusted for (i) non-cash items of RMB315.7 million (US\$47.7 million), which primarily consisted of depreciation and amortization of RMB167.9 million (US\$25.4 million), foreign exchange losses of RMB49.5 million (US\$7.5 million) and share-based compensation expenses of RMB90.3 million (US\$13.6 million) and (ii) a net increase in working capital of RMB130.7 million (US\$19.8 million). The net increase in working capital was primarily attributable to an increase in accruals and other liabilities of RMB603.4 million (US\$91.2 million), consisting primarily of payables for research and development expenses, accrued expenses and salaries and benefits payable, and an increase in other non-current liabilities of RMB78.6 million (US\$11.9 million), consisting primarily of rental payable and deferred government grants, offset partially by, among others, an increase in prepayment and other current assets of RMB404.8 million (US\$61.2 million), which primarily related to deductible value-added tax, prepaid expenses and deposits; an increase in inventories of RMB89.5 million (US\$13.5 million), primarily related to purchases of raw materials, works in progress and finished goods, as we began trial production of the ES8 and; an increase in other non-current assets of RMB66.7 million (US\$10.1 million).

Net cash used in operating activities was RMB2,201.6 million in 2016, primarily attributable to a net loss of RMB2,573.3 million, adjusted for (i) non-cash items of RMB114.8 million, which primarily consisted of depreciation and amortization of RMB46.1 million and share based compensation expenses of RMB76.7 million and (ii) a net decrease in working capital of RMB256.9 million. The net decrease in working capital was primarily attributable to an increase in accruals and other liabilities of RMB410.1 million, consisting primarily of payables for research and development expenses, accrued expenses and salaries and benefits payable, and an increase in other non-current liabilities of RMB61.2 million, consisting primarily of deferred rent and deferred government grants, offset partially by, among others, an increase in prepayment and, other current assets of RMB209.8 million, primarily related to deductible value-added taxes and an increase in other non-current assets.

### ***Investing Activities***

Net cash used in investing activities was RMB1,154.0 million (US\$174.4 million) in the six months ended June 30, 2018, primarily attributable to (i) purchase of property, plant and equipment and intangible assets of RMB1,079.3 million (US\$163.1 million) and (ii) loan to related parties of RMB65.3 million (US\$9.9 million).

Net cash used in investing activities was RMB1,190.3 million (US\$179.9 million) in 2017, which was primarily attributable to (i) purchases of property, plant and equipment and intangible assets of RMB1,113.9 million (US\$168.3 million), relating to the roll-out of our NIO House network and strengthening of research and development capabilities and (ii) purchases of held for trading securities of RMB1,337.4 million (US\$202.1 million), consisting of certain short-term liquid investments, which were partially offset by proceeds from sales of securities held for trading of RMB1,340.9 million (US\$202.6 million).

Net cash generated from investing activities was RMB117.8 million in 2016, which was primarily attributable to proceeds from sales of held for trading securities of RMB3,118.6 million, consisting of certain

short-term liquid investments, partially offset by, among others, purchases of held for trading securities of RMB2,346.3 million and purchases of property, plant and equipment and intangible assets of RMB654.5 million, relating to the expansion of our research and development capabilities.

### ***Financing Activities***

Net cash provided by financing activities was RMB1,897.8 million (US\$286.8 million) in the six months ended June 30, 2018, primarily attributable to the proceeds from the issuance of redeemable non-controlling interests of RMB1,124.9 million (US\$170.0 million), and the proceeds from borrowings of RMB613.9 million (US\$92.8 million), partially offset by the repayment of borrowings of RMB28.8 million.

Net cash provided by financing activities was RMB12,867.3 million (US\$1,944.6 million) in 2017, which was attributable to the net proceeds from the issuance of our series A, series B, series C, and series D preferred shares, with a sum of RMB12,226.5 million (US\$1,847.7 million), and to a lesser extent the proceeds from borrowings of RMB633.7 million (US\$95.8 million), and capital injections from non-controlling interests of RMB13.4 million (US\$2.0 million).

Net cash provided by financing activities was RMB2,292.7 million in 2016, which was attributable to the net proceeds from the issuance of our series A and series B preferred shares of RMB2,263.6 million.

### **Capital Expenditures**

We made capital expenditures of RMB654.5 million, RMB1,113.9 million (US\$168.3 million) and RMB1,079.3 million (US\$163.1 million) in 2016, 2017 and the six months ended June 30, 2018, respectively. In these periods, our capital expenditures were mainly used for the acquisition of property, plant and equipment and intangible assets which consisted primarily of mould and tooling, IT equipment, research and development equipment, leasehold improvements, consisting primarily of office space, NIO Houses and laboratory improvements as well as the roll-out of our power solutions. We currently estimate that our capital expenditures for the next three years, including for improvements and installation of equipment at our own manufacturing facility in Shanghai, for research and development and the expansion of our sales and service network, will be approximately US\$1.7 billion, with US\$552 million incurred over the twelve months starting from July 2018. Through May 2018, we incurred capital expenditures of RMB60 million (US\$9.1 million) in connection with the roll-out of our network of power solutions, including NIO Power Home, Power Express and other solutions. We currently plan to have 40 to 80 swap stations and approximately 400 charging trucks in place by the end of 2018, based on our assessment of user demand. With respect to our Shanghai manufacturing facility, pursuant to our arrangements with certain Shanghai governmental entities, such entities are constructing the Shanghai manufacturing facility, which we plan to lease in the future and we have not incurred capital expenditures in connection with such construction. Once the factory is completed by such entities we plan to purchase and procure our equipment and make improvements to the factory which we expect will involve significant capital expenditures. We currently estimate that such capital expenditures will be approximately US\$650 million, with approximately half financed through proceeds from this offering and cash on hand obtained through prior equity financing and cash from sales of vehicles and the other half financed through interest-free or low-interest debt financing supported by the relevant Shanghai governmental entities. We expect that our level of capital expenditures will be significantly affected by user demand for our products and services. The fact that we have a limited operating history means we have limited historical data on the demand for our products and services. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate. To the extent the proceeds of this offering and cash flows from our business activities are insufficient to fund future capital requirements, we may need to seek equity or debt financing. We will continue to make capital expenditures to meet the expected growth of our business.

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**Borrowings**

As of June 30, 2018, our total borrowings, including current borrowings and non-current borrowings, were RMB1,256.3 million (US\$189.9 million), primarily consisting of bank loans and loan from investors of RMB384 million. The table below sets forth certain details of our material bank borrowings as of June 30, 2018:

<u>Lender</u>	<u>Facility Size</u>	<u>Effective Date/ Expiration</u>	<u>Amount Outstanding</u>
<b>Bank of Nanjing</b>	RMB1,000.0 million	May 17, 2017	RMB576.8 million; interest rate from 4.75% to 5.795%
		May 17, 2022	RMB0.6 million; interest rate at 4.35%
	RMB35.0 million	April 3, 2018/ April 2, 2019	N/A
<b>China Merchants Bank</b>	RMB200.0 million	September 28, 2017/ September 27, 2018	RMB50 million; interest rate at 5.22%; matures on January 25, 2021
	RMB500.0 million	January 26, 2018/ January 25, 2019	RMB30.0 million; interest rate at 4.57%; matures on August 11, 2018
<b>China CITIC Bank</b>	RMB100.0 million	September 7, 2017/ September 7, 2018	RMB50 million; interest rate at 5.22%; matures on February 1, 2021
	RMB200.0 million	October 27, 2017/ October 26, 2018	N/A
<b>Zhejiang Merchants Bank</b>	RMB100.0 million	December 21, 2017/ December 20, 2018	N/A
<b>Hangzhou Bank</b>	RMB50.0 million	August 21, 2017/ August 20, 2018	RMB14.8 million; interest rate at 5%; matures on April 1, 2019
			RMB15.2 million; interest rate at 4.79%; matures on April 24, 2019
			RMB10.0 million; interest rate at 5%; matures on December 21, 2018
			RMB10.0 million; interest rate at 4.57%; matures on February 8, 2019
<b>Pudong Development Bank</b>	RMB80.0 million	March 30, 2018/ March 29, 2019	RMB50 million; interest rate at 4.79%; matures on October 23, 2018
<b>Bank of Shanghai</b>	RMB1,500.0 million	February 1, 2018/ December 15, 2025	RMB10 million; interest rate at 5.88%; matures on June 15, 2020
			RMB5 million; interest rate at 5.88%; matures on December 15, 2020

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<u>Lender</u>	<u>Facility Size</u>	<u>Effective Date/ Expiration</u>	<u>Amount Outstanding</u>
<b>Bank of Communications</b>	RMB300.0 million	May 17, 2018/ May 16, 2019	RMB50.0 million; interest rate at 4.83%; matures on June 24, 2019
<b>Xiamen International Bank</b>	RMB500.0 million	June 27, 2018/ June 27, 2019	N/A
<b>China Everbright Bank</b>	RMB200.0 million	June 8, 2018/ July 5, 2019	N/A

We are not subject to any material covenants under the agreements described above.

### Contractual Obligations

The following table sets forth our contractual obligations as of June 30, 2018:

	<u>Total</u>	<u>Payment due by period</u>			
		<u>Less than one year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>
		<u>(in thousands RMB)</u>			
Capital commitments	2,918,143	2,487,805	290,582	72,699	67,057
Operating lease obligations	1,920,754	293,305	348,740	333,798	944,911
Short-term and long-term borrowings	1,256,335	180,583	210,000	305,000	560,752
Interest on borrowings	100,373	38,398	33,480	21,088	7,407
<b>Total</b>	<b>6,195,605</b>	<b>3,000,091</b>	<b>882,802</b>	<b>732,585</b>	<b>1,580,127</b>

Capital commitments are commitments in relation to the purchase of property and equipment including leasehold improvements. Operating lease obligations consist of leases in relation to certain offices and buildings, NIO Houses and other property for our sales and after sales network.

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of June 30, 2018.

### Internal control over financial reporting

Our internal controls relating to financial reporting have not kept pace with the expansion of our business. Our financial reporting function and system of internal controls are less developed in certain respects than those of similar companies and may not provide our management with as much or as accurate or timely information. The Public Company Accounting Oversight Board, or PCAOB, has defined a material weakness as “a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim statements will not be prevented or detected on a timely basis.”

In connection with the preparation and external audit of our consolidated financial statements as of and for the years ended December 31, 2016 and 2017, we and our independent registered public accounting firm, identified one material weakness in our internal control over financial reporting. The material weakness identified was that we do not have sufficient competent financial reporting and accounting personnel with an appropriate understanding of U.S. GAAP to (i) design and implement formal period-end financial reporting

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policies and procedures to address complex U.S. GAAP technical accounting issues and (ii) prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and the financial reporting requirements set forth by the SEC. The material weakness resulted in a significant number of adjustments and amendments to our consolidated financial statements and related disclosures under U.S. GAAP.

We have implemented and plan to implement a number of measures to address the material weakness. We have hired additional qualified financial and accounting staff with working experience with U.S. GAAP and SEC reporting requirements. We have also established clear roles and responsibilities for accounting and financial reporting staff to address accounting and financial reporting issues. Furthermore, we plan to expedite and streamline our reporting process and develop our compliance process, including: (i) hiring more qualified personnel equipped with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and setting up a financial and system control framework, (ii) implementing regular and consistent U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel, (iii) establishing effective oversight and clarifying reporting requirements for non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with U.S. GAAP and SEC reporting requirements, and (iv) enhancing our internal audit function as well as engaging an external consulting firm to assist us in assessing our compliance readiness under rule 13a-15 of the Exchange Act and improve overall internal control. However, we cannot assure you that we will be able to continue implementing these measures in the future, or that we will not identify additional material weaknesses in the future.

We will continue to implement measures to remediate our internal control deficiencies in order to meet the deadline imposed by Section 404 of the Sarbanes-Oxley Act. We may incur significant costs in the implementation of such measures. However, the implementation of these measures may not fully address the deficiencies in our internal control over financial reporting. See “Risk Factors—Risks Related to Our Business—If we fail to implement an effective internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, holders of our ADSs could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.”

As a company with less than US\$1.07 billion in revenue for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, in the assessment of the emerging growth company’s internal control over financial reporting.

### **Holding Company Structure**

NIO Inc. is a holding company with no material operations of its own. We conduct a portion of our operations through our PRC subsidiaries, and to a lesser extent, our variable interest entities and their subsidiaries in China. As a result, our ability to pay dividends depends significantly upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and our variable interest entities and their subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, each of our wholly foreign-owned subsidiaries in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and each of our variable interest entities may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The



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statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds. Our VIEs did not have any material assets or liabilities as of June 30, 2018, although we expect that our VIEs will hold certain significant assets in the future. In the future we expect that our in-house vehicle manufacturing will be carried out primarily by NIO New Energy, which is controlled by us through Shanghai Anbin and/or its subsidiaries and we expect Beijing NIO will focus on value-added telecommunications services, including without limitation, performing internet services, operating our website and mobile application as well as holding certain related licenses.

### **Off-balance sheet commitments and arrangements**

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

### **Quantitative and Qualitative Disclosures about Market Risk**

#### *Foreign Exchange Risk*

Once we begin sales of the ES8, we expect that substantially all of our revenues will be denominated in RMB while our expenses are denominated in RMB and other currencies including the U.S. dollar, the pound sterling and the Euro. As a result, we are exposed to risk related to movements between the RMB and such other currencies. In addition, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

The value of the Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation subsided and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. On August 11, 2015, the People's Bank of China announced plans to improve the central parity rate of the Renminbi against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the People's Bank of China with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. Effective from October 1, 2016, the International Monetary Fund added Renminbi to its Special Drawing Rights currency basket. Such change and additional future changes may increase volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. Accordingly, it is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars or other currencies into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we

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receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars or other currency for the purpose of making payments to suppliers or for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately US\$            million from this offering if the underwriters do not exercise their option to purchase additional ADSs, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the initial offering price of US\$            per ADS, the midpoint of the estimated initial public offering price range shown on the cover page of this prospectus. Assuming that we convert the full amount of the net proceeds from this offering into Renminbi, a 10% appreciation of the U.S. dollar against the Renminbi, from the exchange rate of RMB6.6171 for US\$1.00 as of June 29, 2018 to a rate of RMB7.2788 to US\$1.00, would result in an increase of RMB            million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the RMB, from the exchange rate of RMB6.6171 for US\$1.00 as of June 29, 2018 to a rate of RMB5.9553 to US\$1.00 would result in a decrease of RMB            million in our net proceeds from this offering.

### ***Interest Rate Risk***

We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

After completion of this offering, we may invest the net proceeds we receive from the offering in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

### **Inflation**

To date, inflation in the PRC has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2015, 2016 and 2017 were increases of 1.4%, 2.0% and 1.6%, respectively. Although we have not been materially affected by inflation in the past, we may be affected in the future by higher rates of inflation in the PRC. For example, certain operating costs and expenses, such as employee compensation and office operating expenses may increase as a result of higher inflation. Additionally, because a substantial portion of our assets consists of cash and cash equivalents and short-term investments, high inflation could significantly reduce the value and purchasing power of these assets. We are not able to hedge our exposure to higher inflation in China.

### **Seasonality**

Demand for new cars in the automotive industry typically decline over the winter season, while sales are generally higher during the spring and summer months. Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in some markets may impact demand for our vehicles.

## **Critical Accounting Policies**

The consolidated financial statements of us have been prepared in accordance with U.S. GAAP. Significant accounting policies followed by us in the preparation of the accompanying consolidated financial statements are summarized below:

### ***Revenue recognition***

Revenue is recognized when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a certain point in time. Control of the goods and services is transferred over time if our performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as we perform; or
- does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point of time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, we present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the our performance and the customer's payment.

A contract asset is our right to consideration in exchange for goods and services that we have transferred to a customer. A receivable is recorded when we have an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before we transfer a good or service to the customer, we present the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is our obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer. Our contract liabilities were mainly resulted from the multiple performance obligations identified in the vehicle sales contract and the sales of energy and service packages, which is recorded as deferred revenue and advances from customers.

### ***Vehicle sales***

We generate revenue from sales of electric vehicles, currently the ES8, together with a number of embedded products and services through a series of contracts. We identify the users who purchase the ES8 as our customers. Multiple distinct performance obligations are explicitly stated in a series of contracts including sales of ES8s, charging piles, vehicle internet connection services and extended warranty which are accounted for in accordance with ASC 606. The standard warranty provided by us is accounted for in accordance with ASC 460, Guarantees, and the estimated costs are recorded as a liability when we transfer the control of ES8 to a user.

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Customers only pay the amount after deducting the government subsidies to which they are entitled for the purchase of electric vehicles, which is applied on their behalf and collected by us or JAC, from the government. We have concluded the government subsidies should be considered as a part of the transaction price we charge the customers for the electric vehicle, as the subsidy is granted to the buyers of the electric vehicle and the buyers remain liable for such amount in the event the subsidies are not ultimately received by us. For efficiency reasons, we or JAC applies and collects the payments on customers' behalf. Where our customers participate in the battery payment installment arrangement, we believe such arrangement contains a significant financing component and as a result adjust the amount considering the impact of time value on the transaction price using an appropriate discount rate (i.e. the interest rates of the loan reflecting the credit risk of the borrower). Interest income resulting from a significant financing component will be presented separately from revenue from contracts with customers as this is not considered to be our ordinary business.

We use a cost plus margin approach to determine the estimated standalone selling price for each individual distinct performance obligation identified, considering our pricing policies and practices, and the data utilized in making pricing decisions. The overall contract price is then allocated to each distinct performance obligation based on the relative estimated standalone selling price in accordance with ASC 606. The revenue for ES8 sales and the charging pile are recognized at a point in time when the control of the product is transferred to the customer. For vehicle internet connection services, we recognize revenue using a straight-line method. As for the extended warranty, given our limited operating history and lack of historical data, we recognize revenue over time based on a straight-line method initially, and will continue monitoring the cost pattern periodically and adjust the revenue recognition pattern to reflect the actual cost pattern as it becomes available with more data.

As the consideration for the vehicle and all embedded services must be paid in advance, which means the payments received are prior to the transfer of goods or services by us, we record a contract liability (deferred revenue) for the allocated amount regarding to those unperformed obligations.

### *Sales of Energy and Service Packages*

We provide an energy package and service package to users for consideration. Through the energy package, we offer users with a comprehensive range of charging solutions, including charging and battery swapping. Users request charging solutions through our mobile application based on their needs. We select the most appropriate charging solutions based on our customer's needs and availability of charging solutions in the area. Through the service package, we offer ES8 users with a "worry free" vehicle ownership experience (including, among others, free repair service with certain limitations, routine maintenance service and enhanced data package), which can be accessed by our users via mobile application.

We consider the users who purchase energy package and service package to be customers. Energy package and service package contracts may be cancelled at anytime without penalty and are therefore only considered binding on a monthly basis. We have concluded that each energy package or service package only contains one performance obligation on our part. Revenue is recognized on a monthly basis as the customers simultaneously receive and consume the benefits of our energy package and service package.

### *Incentives*

We offer NIO Credits, which represent our points provided through our self-managed customer loyalty program. Such credits can be used in our online store and at NIO houses to redeem merchandise offered through NIO Life. We have currently determined that the value of our NIO Credits to RMB0.1 per credit based on cost of the merchandise that can be redeemed with points. Customers and NIO fans have a variety of ways to receive the points. The accounting policy for our points program is described as follows:

#### *(i) Sales of ES8 vehicles*

Credits provided along with the purchase of the ES8 are considered to be a material right and accordingly a separate performance obligation according to ASC 606, and therefore these are taken into consideration when

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allocating the transaction price of ES8 sales. We also estimate the probability of points redemption when performing the allocation. Since historical information does not yet exist for us to determine any potential points forfeitures and most merchandise can be redeemed without requiring a significant amount of points compared with the amount of points provided to users, we believe it is reasonable to assume all points will be redeemed and no forfeiture is estimated currently. The amount allocated to the points as separate performance obligation is recorded as contract liability (deferred revenue) and revenue should be recognized when goods or services are transferred. We will continue to monitor when and if forfeiture rate date becomes available and will apply and update the estimated forfeiture rate at each reporting period.

### *(ii) Sales of Energy Package and Service Packages*

Energy Package—When the customers charge their ES8 without using our charging network, we grant points based on the actual cost the customers incur. We record the value of the points as a reduction of revenue from the Energy Package. Since historical information does not yet exist for us to determine any potential points forfeiture and most merchandise can be redeemed without requiring a significant amount of points compared with the amount of points provided to our users, we do not expect points forfeiture.

### *(iii) Other scenarios*

Customers or users of our mobile application can also obtain points through other ways such as frequent sign-ins to our mobile application, sharing articles from the application to users' own social media. We believe these points encourage user engagement and generate market awareness. As a result, we account for such credits as selling and marketing expenses with a corresponding liability recorded under other current liabilities of our consolidated balance sheet upon the points offering. We estimate liabilities under the customer loyalty program based on cost of the merchandise that can be redeemed, and our estimate of probability of redemption. At the time of redemption, we record a reduction of inventory and other current liabilities. In certain cases where merchandise is sold for cash in addition to points, we record other income.

Since historical information does not yet exist for us to determine any potential points forfeiture and most merchandise can be redeemed without requiring a significant amount of points compared with the amount of points provided to our users, we do not expect points forfeiture. We continue to assess when and if a forfeiture rate should be applied.

### *Practical expedients and exemptions*

We follow guidance on immaterial promises when identifying performance obligations for vehicle sales contracts and have concluded that lifetime roadside assistance and out-of-town charging services are not performance obligations considering these two services are value-added services to enhance user experience rather than critical items for ES8 driving and we have forecasted that usage of these two services will be very limited. We also estimate the stand-alone fair value of each promise, applying a cost plus margin approach and concluded that the standalone fair value of roadside assistance and out-of-town charging services are insignificant individually and in aggregate, representing less than 1% of the ES8's gross selling price and aggregate fair value of each individual promise.

Considering the qualitative assessment and the result of the quantitative estimate, we have concluded not to assess whether promises are performance obligations if they are immaterial in the context of the contract and the relative stand-alone fair value individually and in aggregate is less than 3% of the contract price, namely the road-side assistance and out-of-town charging services. Related costs are then accrued instead.

## Valuation of Stock-Based Awards and Common Stock

### Stock-Based Compensation

We grant restricted share units, or RSUs, and share options to eligible employees and nonemployee consultants and account for share-based compensation in accordance with ASC 718, Compensation—Stock Compensation and ASC 505-50 Equity-Based Payments to Non-Employees.

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses (i) immediately at grant date if no vesting conditions are required to be met; or (ii) for share options or restricted shares granted with only service conditions, using the straight-line vesting method, net of estimated forfeitures, over the vesting period; or (iii) for share options granted with service conditions and the occurrence of an initial public offering as a performance condition, cumulative share-based compensation expenses for the options that have satisfied the service condition will be recorded upon the completion of the initial public offering, using the graded-vesting method.

All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Share-based compensation expenses for share options and restricted shares granted to non-employees are measured at fair value at the earlier of the performance commitment date or the date service is completed, and recognized over the period during which the service is provided. We apply the guidance in ASC 505-50 to measure share options and restricted shares granted to non-employees based on the then-current fair value at each reporting date.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting options and record share-based compensation expenses only for those awards that are expected to vest.

The fair value of each new employee option awarded was estimated on the grant date for the periods below using the Binomial option-pricing model with the following weighted-average assumptions.

	2016	2017	First half year of 2018
Exercise price (USD)	0.10-0.61	0.61-2.55	0.10-3.38
Fair value of the ordinary shares on the date of option grant (USD)	0.96-1.30	1.30-2.55	3.38-4.62
Risk-free interest rate	1.46%-1.78%	2.31%-2.40%	2.74%-2.85%
Expected term (in years)	10	10	10
Expected dividend yield	0%	0%	0%
Expected volatility	54%	51%-52%	50%-51%
Expected forfeiture rate (post-vesting)	5%	5%	5%

If in the future we determine that another method for calculating the fair value of our stock options is more reasonable, or if another method for calculating the above input assumptions is prescribed by authoritative guidance, the fair value calculated for our employee stock options could change significantly.

The Binomial option-pricing model requires inputs such as the risk-free interest rate, expected term and expected volatility. Further, the forfeiture rate also affects the amount of aggregate compensation. These inputs are subjective and generally require significant judgment.

We recorded stock-based compensation of RMB76.7 million, RMB90.3 million and RMB105.6 million during the years ended December 31, 2016 and 2017 and the six months ended June 30, 2018, respectively. As of

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June 30, 2018, we had (1) RMB26.1 million of unrecognized share-based compensation expenses related to the employee restricted shares granted under the Prime Hubs Plan, which is expected to be recognized over a weighted-average period of 1.44 years; (2) RMB79.7 million of unrecognized compensation expenses related to the stock options granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 2.62 years; (3) RMB626.5 million of unrecognized compensation expenses related to the stock options granted to our non-NIO US employees with a performance condition of an IPO, out of which unrecognized compensation expenses of RMB234.1 million related to options for which the service condition had been met and are expected to be recognized when the performance target of an IPO is achieved; and (4) RMB3.5 million of unrecognized compensation expenses related to restricted shares granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 1.25 years. In future periods, our stock-based compensation expense is expected to increase materially as we issue additional stock-based awards to continue to attract and retain employees and nonemployee directors.

We account for stock options issued to nonemployees also based on their estimated fair value determined using the Binomial option-pricing model. However, the fair value of the equity awards granted to nonemployees is remeasured each period until the awards vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered.

### *Common Stock Valuation*

After our initial public offering, in determining the fair value of the non-vested ordinary shares and restricted share units granted, the closing market price of the underlying shares on the last trading date prior to the grant dates will be applied. Prior to our initial public offering, because there has been no public market for our common stock, our Board of Directors determined the fair value of our common stock by considering a number of objective and subjective factors, including the following:

- our sales of convertible preferred stock to unrelated third parties;
- our operating and financial performance;
- the lack of liquidity of our capital stock;
- trends in our industry;
- arm's length, third-party sales of our stock; and
- contemporaneous valuations performed by an unrelated third-party.

There is inherent uncertainty in these estimates and if we had made different assumptions than those used, the amount of our stock-based compensation expense, net loss and net loss per share amounts could have been significantly different. The following table summarizes, by grant date, the number of stock options granted since January 1, 2016 through June 30, 2018, and the associated per share exercise price.

<b>Grant Date</b>	<b>Number of Options Granted</b>	<b>Exercise Price(US\$)</b>	<b>Fair Value per Share of Common Stock(US\$)</b>	<b>Intrinsic value at the Grant Date(US\$thousands)</b>
2016 Q1	24,117,750	0.10 - 0.50	0.96 - 0.99	20,944
2016 Q2	5,399,000	0.27	0.99 - 1.15	4,259
2016 Q4	24,059,856	0.27 - 0.61	1.25 - 1.30	17,955
2017 Q1	1,059,000	0.61 - 2.55	1.30 - 1.32	729
2017 Q2	3,390,700	1.32	1.80	1,621
2017 Q3	1,971,277	0.61 - 1.32	1.80 - 2.05	1,640
2017 Q4	7,039,500	0.61 - 1.80	2.05 - 2.55	5,397
2018 Q1	35,890,683	0.10 - 2.55	2.55 - 3.38	24,426
2018 Q2	2,722,183	1.32 - 3.38	3.38 - 4.62	3,588

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Prior to our initial public offering, our Board of Directors taking into account independent valuer advice, performed valuations of our common stock for purposes of granting stock options in a manner consistent with the methods outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The enterprise value input of our common stock valuations were derived either using fundamental analysis (income and market approaches) or based on a recent round of financing (option pricing approach). The income approach estimates the enterprise value of the company by discounting the expected future cash flows of the company to present value. We have applied discount rates that reflect the risks associated with our cash flow projections and have used venture capital rates of return for companies at a similar stage of development as us, as a proxy for our cost of capital. Our discounted cash flow calculations are sensitive to highly subjective assumptions that we were required to make at each valuation date relating to appropriate discount rates for various components of our business.

<b>Valuation Date</b>	<b>Fair value per share(US\$)</b>	<b>Discount Rates</b>
Mar. 31 2015	0.79	—
Sept. 30 2015	0.72	—
Dec. 31 2015	0.86	—
Mar. 10 2016	0.96	—
Mar. 31 2016	0.99	36%
Jun. 30 2016	1.15	—
Jul. 31 2016	1.21	—
Sept. 30 2016	1.25	—
Dec. 31 2016	1.30	—
Jan. 31 2017	1.32	35%
Mar. 31 2017	1.80	—
Jun. 30 2017	1.80	—
Sept. 30 2017	2.05	30%
Dec. 31 2017	2.55	—
Mar. 31, 2018	3.38	25%
Jun. 30, 2018	4.62	23%

The increases in our fair value share from 2015 to June 30, 2018 were primarily the result of the increased equity value of our company as the development of our vehicles advanced and additional funding was received through equity financing.

Our projected cash flows have been primarily derived from our projected ES8 and ES6 revenue streams. In more recent valuations, these cash flow projections take into account the fact that we plan to start selling the ES8 since 2018, and our anticipation of launch of the ES6 in 2018 and commencing deliveries in 2019.

Under the market approach, the total enterprise value of the company is estimated by comparing our business to similar businesses whose securities are actively traded in public markets, or businesses that are involved in a public or private transaction. Prior transactions in our stock are also considered as part of the market approach methodology.

We have selected revenue valuation multiples derived from trading multiples of public companies that participate in the automotive OEM, automotive retail, automotive parts and battery technology industries. These valuation multiples were then applied to the equivalent financial metric of our business, giving consideration to differences between our company and similar companies for such factors as company size and growth prospects.

For those reports that relied on the fundamental analysis, we prepared a financial forecast to be used in the computation of the enterprise value for both the market approach and the income approach. The financial



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forecasts took into account our past experience and future expectations. The risks associated with achieving these forecasts were assessed in selecting the appropriate discount rate. As discussed below, there is inherent uncertainty in these estimates. Second, we allocated the resulting equity value among the securities that comprise our capital structure using the Option-Pricing Method. The aggregate value of the common stock derived from the Option-Pricing Method was then divided by the number of common shares outstanding to arrive at the per common share value. For those reports before our initial public offering that relied on the recent round of financing, we back-solved for the total equity value such that the value of the instrument sold in the recent round as calculated by the option pricing model was consistent with the observed transaction price.

Valuations that we have performed require significant use of estimates and assumptions. If different estimates and assumptions had been used, our common stock valuations could be significantly different and related stock-based compensation expense may be materially impacted.

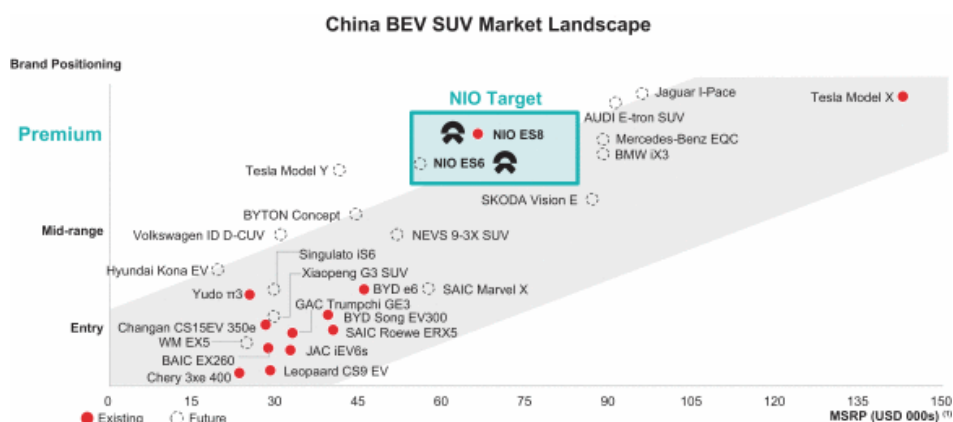
**Recently issued accounting pronouncements**

A list of recently issued accounting pronouncements that are relevant to us is included in Note 3 to our consolidated financial statements included elsewhere in this prospectus.

## INDUSTRY

China is the largest passenger vehicle and NEV market in the world and continues to account for more than half of global BEV sales. China's BEV sales are expected to experience more than 40% annualized growth until 2022, according to Frost & Sullivan. Our first two vehicles, ES8 and ES6, target the premium SUV segment, as within the China passenger car market, the premium and the SUV segments are expected to achieve the highest growth during the period from 2017 to 2022 respectively. Currently we believe no premium BEV is available to Chinese consumers at competitive pricing and the ES8 is expected to face limited competition initially from premium BEVs.

In particular, China's BEV SUV market is currently dominated by domestic players positioned in the entry segment except for the Tesla Model X. As the below chart indicates, although a number of BEV SUV models will be launched to the market in the future in the premium segment, we enjoy cost advantages resulting in a lower manufacturer suggested retail price, or MSRP, as compared to other models.



Note: (1) Manufacturer suggested retail price pre subsidies

Source: Frost & Sullivan Report

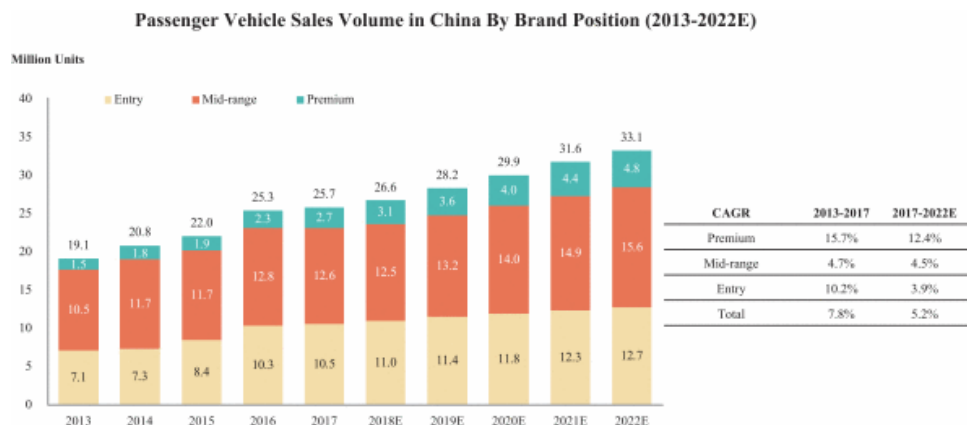
## Growth Trends in China's Automotive Industry

### *China is the world's largest passenger vehicle market and the largest growth contributor to global growth*

China is the world's largest automobile market as measured by sales volume. Driven by economic growth and increasing urbanization, the passenger vehicle industry has grown from 19.0 million sales units in 2013 to 25.7 million units in 2017, representing a CAGR of 7.8%, more than three times of the global market's CAGR of 2.5% for that period. According to Frost & Sullivan, China's passenger vehicle sales volume is expected to grow at a CAGR of 5.2% from 2017 to 2022, reaching 33.1 million units in 2022, accounting for 37.4% of the global market as of 2022. China's expected incremental sales volume of 7.4 million units from 2017 to 2022 represent 86% of the 8.6 million incremental units expected to be sold globally during the same period. Although China is already the largest automobile market in the world, the penetration rate of passenger vehicles as a proportion of its population is still low compared to that in developed countries. In 2017, China's passenger vehicle penetration was 136 units per 1,000 persons, as compared to 745 units per 1,000 persons in the U.S., which presents significant further growth potential in China's passenger vehicle market in the future, according to Frost & Sullivan.

### *The premium segment continues to outgrow the broader China passenger vehicle market*

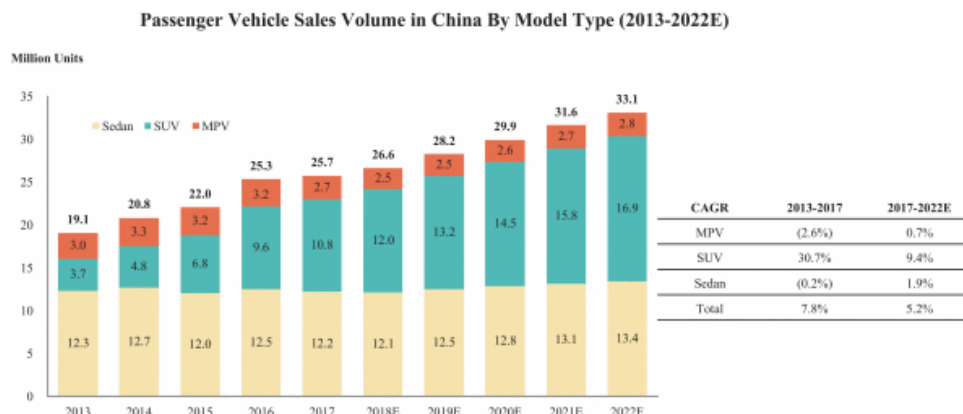
Passenger vehicles can be categorized into three segments, including entry, mid-end, and premium, based on, among others, performance, brand recognition and pricing. The premium segment in China continues to take market share from the entry and mid-range segments, growing at a CAGR of 15.7% from 2013 to 2017. The premium segment is expected to continue to grow at a CAGR of 12.4% from 2017 to 2022, driven by continued expansion of middle class and upper middle class in China, with annual incomes of US\$10,000 to US\$60,000 and over US\$60,000 respectively. According to Frost & Sullivan, the population in the middle class and upper middle class is expected to expand to approximately 502 million in aggregate by 2022. The chart below sets forth the sales volume of passenger vehicles in China categorized by brand position.



Source: Frost & Sullivan Report

### ***The SUV segment has witnessed the fastest growth among passenger vehicle segments***

In recent years, the SUV segment has witnessed the fastest growth among all passenger vehicle segments in China. SUV sales volume grew from 3.7 million units in 2013 to 10.8 million units in 2017, representing a CAGR of 30.7%. The SUV segment is expected to continue to outpace industry growth for the next five years, reaching 16.9 million units in 2022, representing a CAGR of 9.4%. This rapid growth reflects consumers' increasing preference for SUVs which offer a larger interior space, better driving performance under different road conditions. In addition, the lifting of the one-child policy in China is expected to boost family size and the demand for vehicles with more seats, leading to increased demand for SUVs. The chart below sets forth the historical and forecasted sales volume of passenger vehicles in China categorized by model type.



Source: Frost & Sullivan Report

### **The global and especially China's NEV markets are expected to continue to experience very high growth**

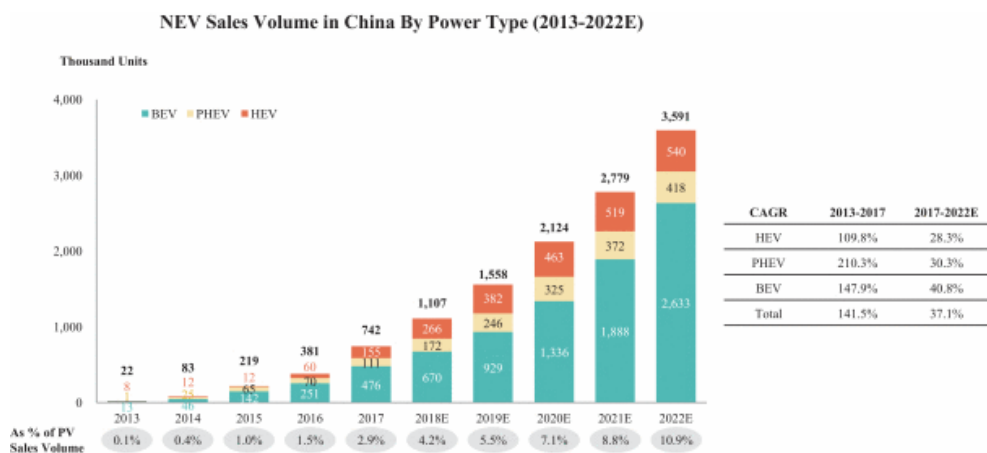
#### ***China is a clear leader in the global NEV market***

The Chinese NEV market benefits from favorable policies and strong support from the Chinese government. China's NEV market has outperformed the global NEV market significantly, growing at a CAGR of 141.5% from 22 thousand units in 2013 to 742 thousand units in 2017. During the same period, global NEV sales recorded a CAGR of 16.2%. China is expected to continue to lead the growth of the global NEV market, reaching 3.6 million units in 2022, growing at a CAGR of 37.1% from 2017 to 2022.

China's NEV penetration rate (calculated as NEV sales volume as a percentage of total passenger vehicle sales volume) is projected to almost quadruple, increasing from 2.9% in 2017 to 10.9% in 2022. The Chinese government is targeting annual sales volume of 2 million units, and an aggregate of 5 million units of NEVs on the road by 2020.

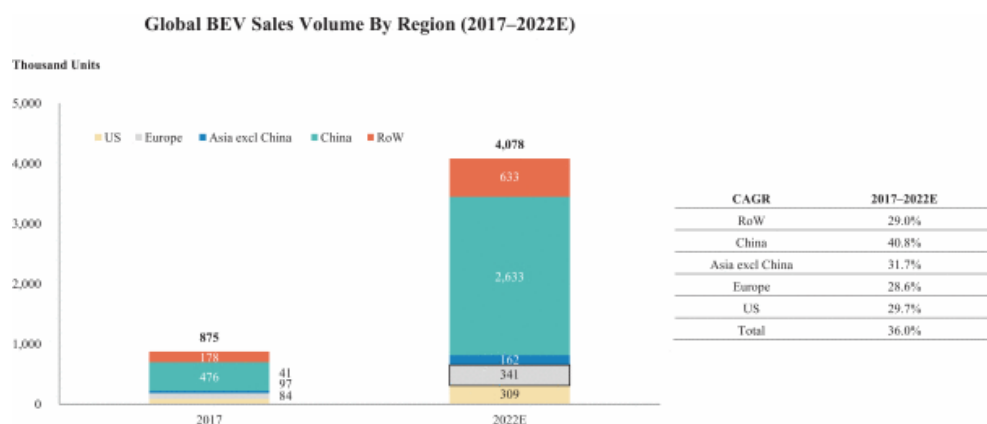
#### ***China is notably skewed to BEVs over HEVs and PHEVs***

NEVs generally include three types: battery electric vehicles, or BEVs, hybrid electric vehicles, or HEVs and plug-in hybrid electric vehicles or PHEVs. Among these, the BEV is considered the most eco-friendly as a zero emission solution. Recognizing these benefits, the Chinese government favors BEVs to other NEVs and provides BEVs greater incentives. With battery technology improving and charging network expansion, consumer concern over range has also lessened, another factor contributing to BEV growth. In the last five years, BEVs witnessed fast growth, growing from 13 thousand units in 2013 to 476 thousand units in 2017 at a CAGR of 147.9% in China as compared to 68.2% in the global market. The chart below sets forth the historical and forecasted NEV sales volume in China categorized by power type.



Source: Frost & Sullivan Report

The Chinese government's current policy is designed to promote BEVs and its related technologies. China had the highest share of BEVs as percentage of NEVs at 64.1% as compared to 27.3% for the global market in 2017. China has become the largest BEV market globally, accounting for approximately 54.3% of the overall global BEV market in 2017. Frost & Sullivan predicts that over 2.6 million BEVs are expected to be sold in China in 2022, accounting for 64.6% of the global BEV market. During the period from 2017 to 2022, the sales volume of BEVs is expected to grow at a CAGR of 40.8% in China as compared to 36.0% in global market. The chart below illustrates global BEV sales volume in 2017 and 2022 by major geographic regions.



Source: Frost & Sullivan Report

### ***Smart & connected vehicles rapidly penetrate the automotive industry***

Increasing connectivity has accelerated the development and adoption of new services and infotainment inside vehicles. Frost & Sullivan estimates vehicles connectivity penetration globally has doubled in the last five years from 5% in 2013 to 10% in 2017 and is expected to double in the next five years to 20% by 2022. Vehicle connectivity is categorized into four types, namely vehicle to vehicle, or V2V, vehicle to infrastructure, or V2I

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vehicle to pedestrian, V2P, and vehicle to cloud, or V2C. According to Frost & Sullivan, the global vehicle connectivity market was a US\$38.4 billion market in 2017, with the potential to grow to US\$100.2 billion in 2022, representing a CAGR of 21.1%, driven by advancements in autonomous driving and 5G communication technologies. This market includes hardware, telecommunications, telematics services and related services.

Among new vehicle features, autonomous driving currently receives the most attention from traditional OEMs, suppliers and global technology companies who are all competing for leadership in autonomous driving technology. These parties have made significant investments in autonomous driving, all trying to become the first to deliver full autonomous driving where human attention is no longer needed for vehicle operation. Between August 2014 and June 2017, an aggregate of approximately US\$80 billion has been raised in over 160 autonomous driving-related fundraising activities. According to Frost & Sullivan, the market size of autonomous driving including sales of related hardware and software products is approximately US\$37.2 billion in 2017 and is expected to grow significantly to US\$285.3 billion in 2022, representing a CAGR of 50.3%. According to Society of Automotive Engineers, or SAE's autonomous driving level definitions, there are six levels of classification of automation levels with Level 5 being completely autonomous with no human intervention and Level 0 having no autonomous vehicle controls. In terms of penetration, autonomous driving systems at Level 2 (considered as partially self-driving with driving mode-specific execution by a driver assistance system of both steering and acceleration and deceleration) or above is forecasted to be over 14% of the automotive market in 2022 according to Frost & Sullivan.

Artificial intelligence, or AI, is another area that has received a lot of attention. AI is being applied in many different areas, including voice control, gesture recognition, natural language processing and decision-making. The market for AI for automobiles is expected to grow from US\$1.1 billion in 2017 to US\$6.0 billion by 2022, representing a CAGR of 39.7%.

## Competitive Landscape of China's NEV Market

### *Largely unserved premium EV market in China*

According to Frost & Sullivan, 476 thousand BEVs were sold to Chinese consumers in 2017. Among the top 10 BEV brands with the highest sales volumes in 2017, only Tesla is in the premium segment, while the other nine brands are in the entry segment, and the average prices post subsidies of those other nine brands were all below RMB 170,000. The top 10 best-selling BEV brands in China in 2017 are listed in the chart below.



Source: Frost & Sullivan Report

### *The ES8 has best-in-class specifications outperforming its competitors*

Frost & Sullivan compared the ES8 to its competitors in the premium BEV SUV category in China in several different categories. Currently, competition in the premium BEV SUV category is concentrated to only a small number of participants, including imported premium models while local models are targeting the mass market.

The comparison also includes a PHEV SUV model which is a premium vehicle similar in size to the ES8. Among the vehicles set forth below, the ES8 has the fastest acceleration time from 0 to 100km/h and the highest maximum power output, and it also features the highest autonomous driving level. In terms of electric motors, maximum torque, NEDC driving range and other core features, the ES8 also delivers the best performance, compared to the competition.

Type	SUV Models						
	NIO – ES8	Tesla – Model X 75D	Audi Q7 45 e-tron (PHEV)(6)	Mercedes-Benz AMG GLS 63	SAIC Roewe ERX5	BYD SONG EV300 SUV	SAIC Roewe Marvel X
Launch Time	BEV	BEV	PHEV(2.0L)	ICE	BEV	BEV	BEV
MSRP (RMB)(1)	2017	2016	2017	2017	2017	2017	2018
Average Consumer Cost (RMB)(2)	448,000	964,900	875,000	1,981,800	271,800	265,900	382,500
Length/Width/Height (mm)	373,933	1,048,081	875,000	2,157,390	197,733	225,400	300,000
	5,022/	5,037/	5,071/	5,162/	4,554/	4,565/	4,678/
	1,962/	2,070/	1,968/	1,982/	1,855/	1,870/	1,919/
	1,756	1,684	1,716	1,851	1,716	1,720	1,618
Max No. of Seats	7	7	5	7	5	5	5
Electric Motor	AC asynchronous motor	AC asynchronous motor	Permanent magnet synchronous motor	N/A	Permanent magnet synchronous motor	Permanent magnet synchronous motor	Permanent magnet synchronous motor
Horse Power (hp)	650	525	367	585	N/A	218	185
Acceleration time from 0 to 100km/h (s)	4.4	5.2	5.9	4.6	7.8	8.9	7.9
Top Speed (km/h)	200	210	228	250	135	140	170
Capacity of Battery (kWh)	70	75	17.3	N/A	48	48	52.5
Maximum Torque (N.m)	840	660	700	760	255	310	410
Maximum Power (kw)	480	386	270	430	85	160	137
NEDC Driving Range (km)	355	406	56(3)	N/A	320	300	403
Charging Time	10h	8h	10.8h	N/A	7h	6h	8h
	(AC Charging)	(AC Charging)	(AC Charging)		(AC Charging)	(AC Charging)	(AC Charging)
	1.1h	75min	2.5h		40min 80%	1.2h	40min 80%
	(DC Charging)	(DC Charging)	(DC Charging)		(DC Charging)	(DC Charging)	(DC Charging)
Electricity Consumption (kWh/km)	0.20	0.22	0.31(4)	N/A	0.18	0.19	0.142
Battery Swap Service	□	×	×	×	×	×	×
Autonomous Driving	Level 2+	Level 2+	Level 2	Level 2	Level 1	Level 1	Level 2(5)

Source: Frost & Sullivan Report

Notes:

- (1) Customs duty calculated as Ex-Factory Price \* 15%; on June 15, 2018, the Chinese government announced that an increase of 25% customs duty will be applied to the vehicles imported from the US, effective from July 6, 2018 (calculated as Ex-Factory Price \*(15% + 25%)).
- (2) Average consumer cost for buyers in Beijing, Shanghai, Guangzhou and Shenzhen.
- (3) At electric-only mode.
- (4) Estimated by dividing the power capacity by the NEDC driving range at electric-only mode.
- (5) Estimated by Frost & Sullivan.
- (6) As Audi Q7 45 e-tron is only produced in Europe, thus such tariff change has no impact on its price, it applies the customs duty of 15%.

### *Clear price advantage enjoyed by locally manufactured NEVs*

Locally manufactured NEVs have several structural advantages in the marketplace over imported models due to the absence of customs duty, lower manufacturing costs and the availability of government subsidies. A comparison of the ES8, Tesla Model X, Audi Q7 45 e-tron, and Mercedes-Benz AMG GLS 63, inclusive of government subsidies and taxes is set forth below. The ES8 boasts significant price advantages over the other models due to local manufacturing subsidies and the absence of customs duties and purchasing taxes.

	NIO ES8	Tesla Model X 75D	Audi Q7 45 e- tron(4)	Mercedes-Benz AMG GLS 63
<b>Costs (RMB)</b>				
Ex-Factory Price	386,207	594,150	655,922	732,192
Customs Duty <sup>(1)</sup>	—	237,660	98,388	292,877
Consumption Tax (>4L, (Ex-Factory Price + Customs Duty) / (1-40%) * 40%)	—	—	—	683,379
VAT ((Ex-Factory Price + Customs Duty + Consumption Tax)*16%)	61,793	133,090	120,690	273,352
<b>MSRP</b>	<b>448,000</b>	<b>964,900</b>	<b>875,000</b>	<b>1,981,800</b>
Purchasing Tax (Tesla is excluded in the EV White List, MSRP/(1+VAT 16%)*10%)	—	83,181	—	170,845
Vehicle and Vessel Use Tax <sup>(2)</sup>	—	—	—	4,245
Plate Fee	—	—	—	500
PRC National and Local Subsidies <sup>(3)</sup>	(74,067)	—	—	—
<b>Total Consumer Cost</b>	<b>373,933</b>	<b>1,048,081</b>	<b>875,000</b>	<b>2,157,390</b>

Notes:

- (1) Customs duty calculated as Ex-Factory Price \*15%; on June 15, 2018, the Chinese government announced that an increase of 25% customs duty will be applied to the vehicles imported from the US, effective from July 6, 2018 (calculated as Ex-Factory Price \*(15% + 25%).
- (2) As there is no nationwide uniform vehicle and vessel tax standard, the information above uses the average vehicle and vessel use tax in Beijing, Shanghai, Guangzhou and Shenzhen.
- (3) Average NEV national and local subsidies in Beijing, Shanghai, Guangzhou and Shenzhen.
- (4) As Audi Q7 45 e-tron is only produced in Europe, thus such tariff change has no impact on its price, it applies the customs duty of 15%.

In addition, local NEV manufacturers benefit from ample manufacturing capacity, faster launch time, better understanding of Chinese consumers as well as low-interest government loans.

### **Key Drivers for Global and China's NEV Market Growth**

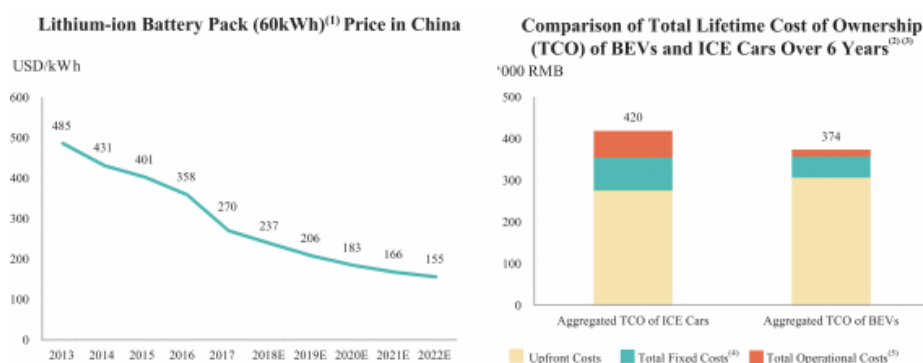
#### *Increasing environmental awareness and tightening emission regulations*

Environmental concerns and in particular the “dieselgate” incident which refers to the Volkswagen emissions scandal uncovered in September 2015 have resulted in tightening emission regulations globally and there is a broad consensus that further emission reduction will require higher electrification of the automotive industry. The cost of regulatory compliance for ICE powertrains is rising sharply due to the natural limitations of traditional ICE technologies. In response, global OEMs are aggressively shifting their strategies toward NEVs. Meanwhile, consumers have become more concerned about the impact of goods purchased, both on their personal health as well as on the environment. With more consumers realizing these benefits, zero emission transportation is becoming a popular and widely advocated urban lifestyle, which in turn is driving further development in the NEV market.



### Decreasing battery and NEV ownership costs

Improvements in battery technology, coupled with economies of scale by battery suppliers continue to reduce battery production costs. The average cost of lithium-ion batteries has fallen from over US\$1,000 per kWh when first developed 20 years ago to below US\$270 per kWh today. Such cost is expected to further decrease to around US\$150 per kWh by 2022.



Source: Frost & Sullivan Report.

- Notes: (1) The Lithium-ion battery pack price includes battery cells, BMS and battery cooling system  
 (2) Assuming continued ownership after 6 years and no resale values are considered  
 (3) Samples of ICE SUV include Audi Q5, Mercedes-Benz GLC-Class, Buick Envision, Volkswagen Tiguan, GAC Trumpchi GS8. Samples of BEV SUV include BYD Song EV300, SAIC ERX5, BYD e6, Tesla Model X, BAIC EX260  
 (4) Including taxes, insurance, and other fees  
 (5) Including energy cost and maintenance cost

From the perspective of total cost of ownership, BEVs enjoy significant running cost advantages. ICE vehicles may appear to be cheaper with a lower upfront purchase price. However, according to Frost & Sullivan, BEVs' battery charging cost is approximately 75% lower than ICE cars' fuel cost, and their repair and maintenance costs are also significantly lower due to BEV simpler structure and lower maintenance frequency. Based on the total cost of ownership comparison of the selected samples as illustrated in the above chart, Frost & Sullivan concluded that the total cost of ownership of BEVs is generally lower than that of ICEs over a six-year period.

### Unique Drivers of NEV penetration in China:

#### A. Strong Regulatory Push from the Chinese Central Government

China's strong regulatory push has been one of the strongest drivers of NEV penetration. Since the publication of *New Energy Automobile Production Enterprises And Product Access Management Rules* by the Ministry of Industry and Information Technology ("MIIT") in 2009, which officially announced the promotion of the technical development of NEVs and encouragement of automobile manufacturers to invest in developing NEVs, the national government has issued and implemented a series of policies and incentives to drive the NEV market growth including national and local subsidies, taxation benefits and charging infrastructure construction.

In addition, the Chinese government has set ambitious targets for EV adoption with NEV annual sales volume of 2 million units and 5 million NEVs being on the road by 2020. Under the temporary regime proposed by MIIT in September 2017, the NEV credits for companies whose annual production capacity or import volume of traditional energy passenger vehicles exceeds 30,000 will be implemented from 2019 and NEV credit ratio will be required to be achieved 10% in 2019 and 12% in 2020.

### ***B. NEV industry's strategic importance to China***

The automotive industry has been recognized as a strategically important industry to China. It is expected to continue to be a significant contributor to China's GDP (more than 4%), employment (approximately 4.7 million automotive related workers), taxation (approximately 4.5%) and national retail sales (nearly 25%). However, in the traditional ICE Chinese technology automotive market, foreign brands have dominated and Chinese players have lagged behind global leading peers in terms of, for example, powertrain technologies. However, the incoming NEV market is expected to create a level playing field and allow Chinese companies to play a greater role.

### ***C. Car Plate Restrictions in Major Cities***

Due to severe traffic congestion and air pollution, seven cities in China, namely Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Hangzhou and Guiyang, limit the number of car plates issued to ICE vehicles each year through a lottery or auction process. As such, the probability of obtaining car plates in those cities is very low. The total number of car plate applicants from those cities reached 6.1 million by the end of 2017, representing a huge unmet demand for car ownership. These could potentially be converted to EV prospective buyers given that there are either no limitations on NEV car plates or a much higher probability of obtaining a car plate. In addition, according to Frost & Sullivan, by 2025, over 17 cities in aggregate are expected to restrict the number of car plates for ICE vehicles issued annually. The below table sets forth the average probabilities of obtaining car plates and the number of applicants by the end of 2017 in the aforementioned cities (except Guiyang):

City	Average Probability of Obtaining Car Plate	Number of Applicants By End of 2017 (*000 persons)
Beijing	0.12%	2,839
Shanghai	4.49%	228
Guangzhou	1.46%	586
Shenzhen	0.81%	909
Tianjin	0.78%	866
Hangzhou	0.92%	679
<b>Total</b>		<b>6,107</b>

Source: Frost & Sullivan Report

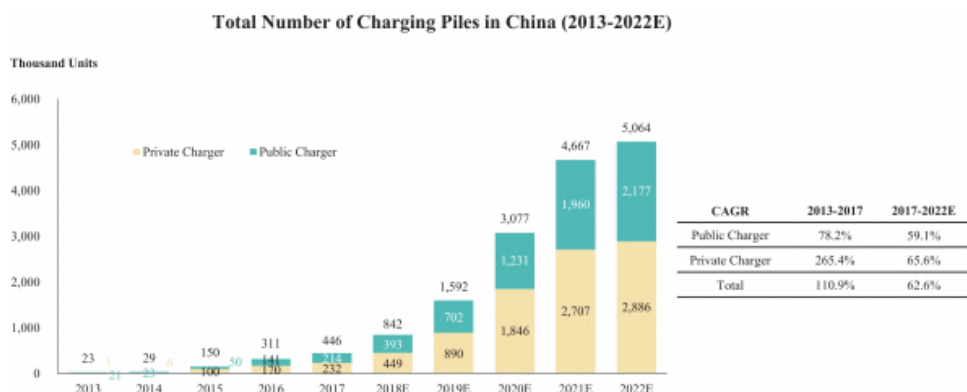
## Currently Underdeveloped Charging Infrastructure in China Being Targeted for Rapid Improvement

Despite prominent growth during the past five years, the charging network in China is still seen as generally inadequate, not providing enough convenience to potential NEV users. By the end of 2017, there were only 446 thousand public and private charging piles in China of which 214 thousand charging piles were publicly accessible, 59.6% of which are superchargers. Although home charging is the most commonly used charging solution in most developed countries, due to electricity wiring system constraints at most residential buildings in China, home charger installment is not feasible for many Chinese users. The map below sets forth the number of public chargers by province as of December 31, 2017.



In addition, the lack of standardized charging output power, plugs and other specifications as well as incompatibility makes charging more difficult. As a result, approximately 41% of consumers are not willing to purchase BEVs due to the inconvenient charging solutions available, according to a survey by Frost & Sullivan in March 2018. Therefore, building sufficient charging infrastructure and providing convenient charging services are critical to attracting prospective NEV purchasers.

To solve this problem, parties in both public and private sectors, including state-owned electricity companies and automotive OEMs, are heavily investing in building a nationwide charging network to alleviate potential customer concerns. The Chinese government has also targeted constructing over 12,000 charging stations and over 4.8 million charging piles by 2020, according to *The Guidelines on EV Charging Infrastructure, 2015-2020* issued by the National Energy Administration. Driven by joint efforts to establish a charging infrastructure system to meet charging demand, the total number of charging piles in China is projected to reach approximately 5.0 million units by 2022, growing at a CAGR of 62.6% and the number of public charging piles is expected to reach 2.1 million by 2022, according to Frost & Sullivan.



Source: Frost & Sullivan Report

### In-Car E-commerce Disruptive Market Opportunity

Inside the vehicle, consumers are increasingly enjoying an in-car e-commerce offering. In-car e-commerce refers to the Internet based connected services consisting of information, entertainment, in-car content and online-to-offline, or O2O, service in the vehicle through connectivity among mobile phones, vehicles and service providers. Catering to changing consumption behavior in the digitization age, in-car e-commerce is underpinned by increasing processing capabilities of vehicle processors as well as more advanced infotainment systems installed in the vehicles.

Various internet services have been announced to be launched to accommodate in-car entertainment, information and other O2O demands. In-car O2O services are more convenient and flexible due to significant advantages of mobility. For instance, consumers may do online shopping, online streaming and use other internet services in the car or have merchandise delivered to the trunk. Cross-sector collaborations and partnerships for example between Chinese automobile manufacturers and internet companies serve as an opportunity for the market to grow and develop into new areas.

Given the significant time spent in cars and given increasing autonomous capabilities the ability of the driver to focus on things other than driving in the car, although the current global in-car ecommerce market size is still relatively small at around US\$1.4 billion in 2017, it is expected to grow to US\$2.9 billion in 2022.

## BUSINESS

### Our Mission

Our mission is to shape a joyful lifestyle by offering premium smart electric vehicles and being the best user enterprise.

### Overview

We are a pioneer in China's premium electric vehicle market. We design, jointly manufacture, and sell smart and connected premium electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving and artificial intelligence. Redefining user experience, we aim to provide users with comprehensive, convenient and innovative charging solutions and other user-centric service offerings. Our Chinese name, Weilai (蔚来), which means Blue Sky Coming, reflects our commitment to a more environmentally friendly future.

The first model we developed was the EP9 supercar, introduced in 2016. The EP9 set a world record as the then fastest all-electric car on the track at the Nürburgring Nordschleife "Green Hell" track in Germany in May 2017, finishing a lap in 6 minutes and 45.90 seconds. Combined with an attractive design and strong driving performance, the EP9 delivers extraordinary acceleration and best-in-class electric powertrain technology, helping position us as a premium brand.

We launched our first volume manufactured electric vehicle, the ES8, to the public at our NIO Day event on December 16, 2017 and began making deliveries to users on June 28, 2018. The ES8 is a 7-seater all aluminum alloy body, premium electric SUV that offers exceptional performance, functionality and mobility lifestyle. It is equipped with our proprietary e-propulsion system which is capable of accelerating from zero to 100 km per hour in 4.4 seconds and delivering a New European Driving Cycle driving range of up to 355 km and a maximum range of up to 500 km in a single charge. As of July 31, 2018, we had delivered 481 ES8s and had unfulfilled reservations for more than 17,000 ES8s with deposits. Of these reservations, approximately 12,000 consisted of reservations for which only an initial fully refundable deposit of RMB5,000 had been made. Upon signing of a purchase agreement, which is required prior to a vehicle entering into production, the initial RMB5,000 deposit becomes non-refundable and the user must pay an additional RMB40,000 non-refundable deposit. As of May 31, June 30 and July 31, 2018, we had unfulfilled reservations for 1,401, 3,186 and 4,989 ES8s, respectively, for which non-refundable deposits had been made.

We plan to launch our second volume manufactured electric vehicle, the ES6, by the end of 2018 and start initial deliveries in the first half of 2019. The ES6 is a 5-seater, high-performance premium electric SUV, set at a lower price point than the ES8 to target a broader customer base.

We aim to create the most worry-free experience for our users, online or offline, at home or on-the-go. In response to common concerns over the accessibility and convenience of EV charging, we offer a comprehensive, convenient and innovative suite of charging solutions. These solutions include Power Home, our home charging solution, Power Swap, our innovative battery swapping service, Power Mobile, our mobile charging service through charging trucks, and Power Express, our 24-hour on-demand pick-up and drop-off charging service. In addition, our vehicles are compatible with China's national charging standards and have access to a nationwide publicly accessible charging network of over 214 thousand charging piles, 59.6% of which are superchargers. Beyond charging solutions, we offer comprehensive value-added services to our users, such as statutory and third-party liability insurance and car damage insurance through third-party insurers, repair and routine maintenance services, courtesy car during lengthy repairs and maintenance, nationwide roadside assistance, as well as an enhanced data package. We believe these solutions and services, together, will create a holistic user experience throughout the vehicle lifecycle.

The electric powertrain technologies we developed for the EP9 set the technological foundation for the development of our vehicles, from the ES8, to the planned ES6 and to other future models. Our e-propulsion

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system consists of three key sub-systems: an electric drive system, or EDS, an energy storage system, or ESS, and a vehicle intelligence control system, or VIS. Our e-propulsion system reflects our cutting-edge proprietary technologies and visionary engineering in our EV design.

We are a pioneer in automotive smart connectivity and enhanced Level 2 autonomous driving. NOMI, which we believe is one of the most advanced in-car AI assistants developed by a Chinese company, is a voice activated AI digital companion that personalizes the user's driving experience. NIO Pilot, our proprietary enhanced Level 2 ADAS system, is enabled by 23 sensors and equipped with the Mobileye EyeQ®4 ADAS processor, which is eight times more powerful than its predecessor.

We have significant in-house capabilities in the design and engineering of electric vehicles, electric vehicle components and software systems. We have strategically located our teams in locations where we believe we have access to the best talent. Our strong design, engineering and research and development capabilities enable us to launch smart and connected premium electric vehicles that are customized for, and thus appealing to, Chinese consumers. In addition, our research and development efforts also have resulted in an extensive intellectual property portfolio that we believe differentiates us from our competitors.

We adopt an innovative sales model compared to incumbent automobile manufacturers. We sell our vehicles through our own sales network, including NIO Houses and our mobile application. NIO Houses are not only the showrooms for our vehicles, but also clubhouses for our users with multiple social functions. Prospective users can place orders using our mobile application and more importantly, our mobile application fosters a dynamic and interactive online platform. We believe our online and offline integrated community which is developing from our NIO Houses and mobile application will retain user engagement and cultivate loyalty to our brand, along with other successful branding activities such as our annual NIO Day and our championship winning Formula E team.

### **Our Competitive Strengths**

We are focusing on providing smart and connected premium electric vehicles as part of a user-centric mobility lifestyle and we believe the following strengths contribute to our success.

#### ***Pioneer in China's premium EV market***

We are strategically positioned in China's premium EV market, an attractive market segment in which we currently face very limited competition. According to Frost & Sullivan, China's NEV market is expected to grow from 0.7 million units in 2017 to 3.6 million units in 2022, at a CAGR of 37.1%, driven by favorable government policies, technological advancement and increased consumer spending. Our first volume manufactured vehicle, the ES8, is positioned at the intersection of China's fastest growing SUV and premium segments. The ES8 boasts best-in-class performance across multiple dimensions including top speed, acceleration, battery range and advanced ADAS and autonomous driving features, all of which clearly differentiate us from our competitors.

Furthermore, as the company with the first-to-market and only premium EV volume-manufactured domestically in China, we believe we have a multi-year lead time in terms of product delivery ahead of our domestic and international competitors in China's premium EV segment. In addition, the ES8 is more affordable than the EVs of other imported premium brands as a result of the absence of import and purchasing taxes, lower manufacturing costs, other tax benefits as well as national and local subsidies. As of July 31, 2018, we had received over 17,000 unfulfilled ES8 reservations with deposits.

#### ***Redefining EV experience with cutting-edge proprietary technology, visionary engineering and smart connectivity***

We design EVs that feature cutting-edge proprietary technology and visionary engineering. Our ES8 is a 7-seater, all-wheel-drive SUV equipped with our in-house developed, 480kW dual motor powertrain system,

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consisting of high performance e-drive system, high energy density battery pack and highly effective battery management system. The ES8 also uses an aerospace grade full-body aluminum architecture making it light weight. Its innovative, luxurious and spacious interior further improves the driver and passenger experience. The ES8 was designed in accordance with the 5-star rating standards under C-NCAP safety standards and passed numerous strict safety tests. We plan to apply our cutting-edge technology and extensive engineering capabilities to our future models as well. Our technological leadership has also been demonstrated by our well-known EP9 supercar, the world's fastest electric vehicle, which has set five world records to date.

We are a pioneer in smart connectivity, artificial intelligence, or AI, and enhanced Level 2 autonomous driving functionality. The ES8 is equipped with NIO Pilot, which enables highway pilot, traffic jam pilot and automatic emergency braking. We have the ability to analyze large quantities of driving data to accelerate our autonomous driving technologies and algorithms.

In addition, we believe we have China's most advanced in-car AI connected assistant, NOMI, which is capable of deep learning and benefits from our cloud computing network. Through NOMI, users are able to use voice control to make phone calls, play music and control systems including navigation, opening and closing windows, climate control, controlling the seat massage function, operating in-car media, controlling the in-car camera (including taking pictures), among others, the mobility experience. Furthermore, we plan to offer over-the-air updates to our users which allow periodic software and driving solution improvements, leading to better user experience during the EV lifecycle.

### ***Revolutionary and comprehensive charging solutions***

We provide our users with a comprehensive range of charging solutions, alleviating the most critical challenge to EV adoption. We aim to provide charging services in most major cities in China. Our innovative "Power Express", is expected to provide users with 24-hour on-demand charging services including car pick-up and drop-off. We offer users an energy package where these services are accessible for a fixed monthly subscription fee. Our charging solutions include:

- "Power Home"—home chargers where practicable for users;
- Access to the nationwide charging network consisting of approximately 214 thousand publicly accessible charging piles as of December 31, 2017, 59.6% of which are superchargers. Fees for the usage of these are included in our energy package and we are able to make use of these when providing our valet power express services;
- "Power Mobile"—charging trucks offering rapid charging for 100km range within 10 minutes; and
- "Power Swap"—battery swapping stations offering battery swapping service within minutes.

Powered by NIO Cloud, real-time data synchronization of our charging and battery swapping network enables us to deploy and deliver charging services faster and more efficiently. In addition, centralized, diagnostics and remote management of batteries allows our users to enjoy better battery performance.

### ***User enterprise advocating a unique and holistic mobility lifestyle***

Our "One-click for Service" and "One-click for Power" solutions through a subscription model offer a wide variety of value-added services including 24-hour customer service, technical support advisors, valet charging, car pick-up/drop-off delivery as well as more traditional services such as repair and maintenance and courtesy car. We believe these service offerings provide one-touch convenience and create a seamless experience for our users throughout the vehicle lifecycle. We directly sell our vehicles to users, which we believe allows us to deliver a more consistent, differentiated and compelling user experience, compared to the traditional franchised distribution model used by our competitors in China. We believe that our online and offline direct sales model is more cost efficient by cutting out franchised distribution costs as well as lowering the number of physical locations required and also allows us to expand our sales network effectively and efficiently in China.

We are building an integrated online and offline community, creating, we believe, a unique and interactive mobility lifestyle where users can interact to provide an experience that goes beyond the car. Our mobile application, featuring moment sharing and an online fun shop, has become an active online community. Our mobile application had approximately 490,000 registered users as of July 31, 2018. We believe that our NIO Houses will help to cultivate brand loyalty and promote user engagement, serving as an exclusive user club with multiple social functions. Furthermore, our annual NIO Day with new product launches increases our media exposure and attracts prospective users. On 2017 NIO Day, there were 110 million views and we observed over 7,000 media articles covering the NIO Day which we believe makes it one of the largest electric vehicle launches.

***Strategic partnerships with global best-in-class technology and industrial leaders***

Our position as a pioneer in our market has attracted global leaders across our supply chain, autonomous driving, infotainment and various value-added services, creating an extensive industry alliance network for us. Our key partners include Tencent, Baidu, Mobileye and CATL. We believe their expertise and know-how broaden our service offering and solidify our technological leadership. For example, we are closely collaborating with Mobileye to develop next generation autonomous driving technology to be used in our vehicles.

In addition, these leading suppliers and partners also allow us to manufacture and deliver our products with high quality standards. In particular, our alliance with JAC to manufacture our ES8 and ES6 models provides us with flexibility, scalability and speed to market, cementing our first mover advantage in the China market, while product design, supply chain management and quality control are managed by us with our engineering team onsite.

***World-class management, global talent pool and tech savvy investor base***

Our success is led by a visionary management team with a unique combination of internet and automotive experience with a start-up mindset. Our founder and Chairman, Mr. Bin Li, is an experienced entrepreneur in China with extensive expertise and a proven track record of creating innovative and disruptive business models in the mobility and internet space.

Our reputation has enabled us to recruit a global talent pool with specialists in China for user interface development and engineering tailored to Chinese users, in Silicon Valley for software and autonomous driving, and in Munich and the UK for vehicle design and engineering. Our global footprint echoes our premium proposition customized for Chinese consumers and delivers best-in-class standards in respective areas.

In addition, our tech savvy investors provide us with strategic support and long-term funding. For instance, we work with Baidu and Tencent on mapping and cloud services, respectively.

**Our Strategies**

We are pursuing the following strategies to achieve our mission:

***Successfully launch future models such as the ES6 and ET7 timely to target a broader customer base and expand our product lineup***

The successful launches of our planned 5-seater SUV ES6, our ET7 sedan and future models are critical in capitalizing on our first mover advantage and capturing electric vehicle market opportunities in China. We are currently on track to complete the design, engineering and component sourcing of ES6 by the end of 2018 and target initial delivery during the first half of 2019. In addition, we are generally targeting to launch a new model every year. At the same time, we intend to launch mid-cycle facelifts on existing models more frequently than industry standards to meet latest user preferences and drive innovations.



***Build our own manufacturing capacity and continue to optimize manufacturing costs by leveraging a common platform and production flexibility***

Construction has started on our own manufacturing facility in Shanghai in order to expand manufacturing capacity for the ET7 and future models, complementing our JAC manufacturing alliance supplying the ES8 and ES6. We expect that this facility will also facilitate our ability to obtain our own EV manufacturing license and potentially benefit from the NEV credit score system in the future. We aim to obtain our EV manufacturing license within two to three years following the date of this prospectus. We intend to design different models with adaptable platform architecture and electric powertrain systems and maintain standard high-quality control standards across our facilities and achieve cost effectiveness.

***Expand our infrastructure and service coverage nationwide to improve user experience***

We intend to expand our users' access to charging infrastructure nationwide and provide more convenient charging solutions to our users. We plan to offer real-time data on the availability of charging piles by uploading and synchronizing data from our own and third party charging networks to our cloud. We plan to continue to build our service network mostly through authorized service centers across China and broaden the service coverage and further enhance user experience.

We plan to expand our distribution network by building more NIO Houses and delivery centers, supported by nationwide logistic network and regional warehousing facilities, in order to meet increasing demand from prospective buyers, particularly in non-tier-one cities.

***Continue to focus on technological innovations***

We intend to continue to attract talent from the world's top universities, institutions, technology and automotive companies to expand our talent pool and help us drive technological innovation. Meanwhile, we aim to further advance our proprietary E-powertrain system to achieve better battery performance to increase the driving range and shorten the charging time for our cars. We expect to equip our next model ES6 with a higher density battery pack, delivering an over 450-kilometer driving range. We are also developing our next generation of E-powertrain system with higher output EDS as well as higher capacity fast charging battery packs. In addition, we intend to leverage our cyber-security technology and OTA platform to build seamless vehicle network and create a mobile living space featuring artificial intelligence and a next-generation digital cockpit and user interface.

Moreover, we plan to develop ADAS with more comprehensive active automated driving, driving support, and alerts and warnings features. We are aiming to launch a model equipped with Level 4 autonomous driving capabilities in the coming years. We intend to further enhance safety and technology features to drive customer satisfaction and interest, which in turn helps expand our market share.

***Create more monetization opportunities during the lifetime ownership***

We offer an innovative subscription service in the automotive industry consisting of a service package and an energy package to generate recurring revenues beyond the initial car purchase and promote user engagement. We expect to increase the user adoption of these packages by providing more convenient and user-centric services.

In addition, we plan to continue to focus on users' lifetime engagement to create additional monetization opportunities in every aspect of car ownership, including financing, insurance, repair and maintenance, charging and infotainment. We also plan to establish and develop strategic partnerships with Tencent, JD and other technology leaders in our ecosystem to explore more value-added services empowered by big-data and our cloud architecture, such as "mailbox" service, or last mile express delivery service into the car trunk, and in-car entertainment.

## Our Core Values and Commitments

Our business is set up around the following core values and commitments:

- *Our Vehicles:* We aim to provide our users with high-performance vehicles, with design, engineering, manufacturing and delivery all performed to our high-quality standards at a reasonable price point. Our ES8 and other vehicles contain cutting edge technology, including our e-propulsion system which enables the ES8 to accelerate from zero to 100 kilometers per hour (kph) in just 4.4 seconds, all-aluminum body and chassis, enabling high vehicle torsional stiffness and innovative luxury interior. The ES8 is designed to meet the 5-star C-NCAP safety standards set by the China Automotive Technology and Research Center.
- *Our High-Quality Service:* Through one click using our mobile application, our users are able to access an innovative full suite of services, redefining the user experience for car buyers. Our services include our comprehensive and innovative full range of energy solutions, including, among others, home chargers, charging trucks and battery swapping, our service package, through which we aim to provide users with “worry free” vehicle servicing, repair and roadside assistance, in each case, through one click using our mobile application.
- *Smart Connectivity and Autonomous Driving:* Our vehicles are designed with user experience at the forefront. Our ES8 and future vehicles feature artificial intelligence, or AI, using our NOMI system, which is an in-car AI connected assistant capable of deep learning and which is powered by in-car and cloud computing. We also provide a comprehensive ADAS package with NIO Pilot. As we improve our autonomous driving algorithms through research and development, we expect to update existing in-vehicle technology through OTA upgrades.
- *User Engagement Beyond the Car:* We aim to engage with users and create an environment conducive for user interaction both online and offline. By leveraging our annual NIO Day, our mobile application and our NIO Houses, we aim to cultivate the users’ emotional attachment, retain user engagement and build a community of users, fostering loyalty and brand awareness.

## Our Vehicles

We design, jointly manufacture and sell our vehicles in China’s premium electric vehicle segment. We began making deliveries to the public of our first volume manufactured car, the 7-seater ES8 SUV on June 28, 2018 and plan to begin deliveries of our second car, the 5-seater ES6 in the first half of 2019. Following the launch of the ES6, we plan to launch our first sedan, the ET7 in 2020. The ET7 is expected to leverage the platform technologies from the ES8 and ES6 to create an all-wheel drive sedan. As of July 31, 2018, we had delivered 481 ES8s and had unfulfilled reservations for more than 17,000 ES8s with deposits. Of these reservations, approximately 12,000 consisted of reservations for which only an initial fully refundable deposit of RMB5,000 (representing approximately 1.1% of the base purchase price of the ES8) had been made. Upon signing of a purchase agreement, which is required prior to a vehicle entering into production, the initial RMB5,000 deposit becomes non-refundable and the user must pay an additional RMB40,000 non-refundable deposit. As of May 31, June 30 and July 31, 2018, we had unfulfilled reservations for 1,401, 3,186 and 4,989 ES8s, respectively, for which non-refundable deposits had been made. In May, June and July 2018, we had produced 228, 272 and 831 ES8s, respectively.

Our goal is to launch a new vehicle model each year for the near future as we plan to offer our users more choices to suit their preferences and target different segments within the premium electric vehicle market in China. We also plan to upgrade our existing models on an ongoing basis with facelifts for each model around every one or two years and do a major model redesign or upgrade every three years.

We plan to exclusively sell our vehicles in China for the near future.

## *ES8*

The ES8, our first volume manufactured vehicle, is a spacious 7-seater high-performance premium electric SUV. The ES8 was officially launched at our NIO Day event on December 16, 2017, following which we began taking reservations. We started making deliveries to the public of the ES8 on June 28, 2018 and have ramped up deliveries during the summer of 2018.

With both front and rear motors, the ES8 delivers 480 kilowatts of power and 840 Newton meters of torque to all four wheels. The ES8's e-propulsion system enables the ES8 to accelerate from zero to 100 km per hour (kph) in just 4.4 seconds. The ES8 is equipped with a 70-kilowatt-hour liquid-cooled battery pack comprised of cutting-edge square cell batteries. The battery pack features an energy density of 135wh/kg and provides an approximately 1,200-charge-discharge lifecycle with an 87% capacity retention. The ES8 achieves 500 kilometers of range when constantly running at 60 kph, and the car achieves a New European Driving Cycle, or NEDC, range of 355 kilometers.

With 21 active safety features, the ES8 is designed to meet five-star C-NCAP safety standards. In addition to standard safety features for a vehicle in its class, ES8 also features or will feature driver drowsiness detection, lane departure warning, lane change assistance, automatic emergency braking, side door opening warning, and 360-degree high definition surround vision, among other advanced safety measures. The ES8 is also designed to include safety features such as electric stability program, electric traction control, cornering brake control, hill descent control, hill start assist, rear view camera, front and rear parking sensors, side distance indication system, direct-tire pressure monitoring system, blind spot detection, dynamic wheel torque by brake and roll stability control. In addition, the braking distance of the ES8 from 100 km per hour to a complete stop is 33.8 meters.

The ES8 is the first car in China to have an all-aluminum body and chassis featuring aerospace grade 7003 series aluminum alloy, enabling a torsional stiffness of 44,140 Nm/Deg, and also features the highest amount of aluminum for any mass production car yet. The active air suspension on the ES8 creates, we believe, a comfortable riding experience. The ES8 has a 3,010 millimeter long wheelbase, to create a truly mobile living space. The three-row, seven-seat layout makes full use of the interior space. The innovative "lounge seat" and "child-care mode", together with the Nappa leather wrap, create, we believe, a comfortable atmosphere, redefining the riding experience. The smart air quality system includes an activated carbon and high-efficiency particulate air, or HEPA, filter and negative ion generator.

Together with the launch of the ES8 in 2017, we launched our NIO Pilot system which we expect to be activated on our ES8 in the near future. Our NIO Pilot advanced driver assistance system, or ADAS, with comprehensive enhanced Level 2 autonomous driving features, is enabled by 23 sensors, including a trifocal front-facing camera, four surround exterior cameras, five millimeter-wave radars, 12 ultrasonic sensors and a driver monitor camera. The ES8 comes equipped with the Mobileye EyeQ®4 ADAS chip which has a computation capacity eight-times more powerful than its predecessor, the Mobileye EyeQ®3.

In addition, the ES8's sophisticated 4G support and software and hardware suite enables subscribers to enjoy upgraded services through OTA updates. Each vehicle comes standard with eight gigabytes per month of data. Our remote updates are driven by our centralized connected vehicle gateway which controls all electric control units, or ECUs. The ES8 provides high-speed parallel over-the-air updates, allowing the ES8 to acquire new features from time to time while minimizing downtime.

Together with the launch of the ES8, we also launched our NOMI system, an optional feature, which we believe is one of the most advanced in-car AI assistants developed by a Chinese company. Our goal is to provide users with a more natural interaction with the in-car AI system and also provide enhanced safety by further removing the need for users to keep looking at the screen while driving. NOMI combines the ES8's intelligence and car connectivity functionalities to turn the ES8 into an intuitive companion that can listen to, talk with, and help drivers and passengers along the way. Through NOMI, users are able to use shortcuts and voice control to

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make phone calls, play music and control systems including navigation, air-conditioning, opening and closing windows, climate control, controlling the seat massage function, operating in-car media, controlling the in-car camera (including taking pictures), among others. We intend to improve the system and add additional functions through OTA upgrades.

The ES8 has a base price of RMB448,000 before subsidies. Purchasers can purchase additional options including different wheel styles, certain exterior colors, NIO Pilot and NOMI, among others. We are also producing approximately 10,000 “Founder’s Edition” vehicles, available for RMB548,000 before subsidies, which comes standard with additional features such as the nappa luxury interior package (consisting of nappa leather perforated seats, a nappa leather interior wrap and front massage seats), all-season comfort package (heated steering wheel, second row heated seats, front row ventilated seat), a premium audio system, an enhanced head unit display and additional NIO Pilot functions. Such features can also be added based on user preferences to our standard ES8. A battery payment option is available to buyers, which provides an RMB100,000 reduction in the purchase price of the ES8 and costs RMB1,280 per month for 78 months. To purchase an ES8, a customer is first required to pay a refundable deposit reserving the car, which for the ES8 is RMB5,000, and prior to the user’s ES8 entering into production, a non-refundable deposit of RMB45,000 must be made (which can include the initial RMB5,000 reservation deposit) and is applied towards the purchase price of the vehicle.

### ***ES6***

The ES6 is a planned 5-seater high-performance electric premium SUV currently under development and planned for delivery in the first half of 2019. The ES6 is being developed based on the same advanced electric vehicle platform as the ES8. The ES6 will be smaller and more affordable than the ES8, with pricing expected to be approximately RMB80,000 to RMB100,000 less than the ES8. We believe that the ES6 will allow us to target a broader market in the premium SUV segment.

The ES6 is expected to provide both front and rear motors in different combinations and provide similarly attractive performance features as the ES8.

We expect to deploy a new e-propulsion system for the ES6 in the second half of 2019, which will have all-new dual permanent magnet, or PM, motors, which are more energy efficient.

Most of the features and options currently available for the ES8 will be available on the ES6, and we expect that the ES6 will include additional features and increased optionality, allowing users more options with respect to pricing.

### **Our Power Solutions**

Through our NIO Power power solutions, we offer a comprehensive and innovative suite of power solutions to address the battery charging needs of our users. We aim to provide power services in most major cities in China, with our solutions being easily accessible through our mobile application. We also offer our users our valet service where we pick-up, charge and then return the vehicle. Our goal is to provide the most convenient power solutions to our users. Using our mobile application, our users will be able to monitor battery levels and charging status. The charging status of batteries and the charging solutions are available to users are all connected through our cloud, enabling us to assist users in finding the most convenient charging solution available in a given area.

### ***Home Charging (Power Home)***

Through NIO Power Home, we install chargers at our customers’ homes after the purchase of a new vehicle based on customer request where installation at the customer’s home is feasible. Given the convenience of having a home charger installed, we aim to install a home charger for our users whenever practicable. Our home

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charger is expected to be the first to have an auto-identification function which enables a vehicle to automatically pair with its exclusively compatible home charger. Charging takes place by simply inserting the charging gun into the vehicle's charging port. The first NIO Power Home device and basic installation are initially included in the price of the vehicle though there may be charges in certain circumstances. Users have the option of postponing such installation if installation is not feasible at his or her residence at the time of purchase. Any subsequent installation is subject to charge on a case-by-case basis. Installation is performed by professional third party contractors engaged by us. Our charging pile design won the "best of best" reddit award in 2018. Under normal temperatures and battery conditions, the battery of the ES8 would be charged from approximately 20% to 90% power level in seven to eight hours using our home charger.

### ***Power Express and Other Power Solutions***

We have tailored our charging solutions to serve the needs of Chinese users. We anticipate that many of our users are likely to live in condominiums or apartment buildings where they are unable to install a home charger. We aim to provide such users with a level of convenience and service with our other power solutions so that they can enjoy a similar level of convenience as our users with home chargers installed. We are also committed to ensuring the high standard of quality and performance of our charging solutions.

To that end, we offer our users our Power Express valet service and other charging solutions, including access to public charging, access to our Power Mobile charging trucks, and battery swapping.

Using our mobile application, a user is able to arrange to have our team pick up his or her vehicle at the user's designated parking location. The vehicle is driven to a nearby battery charging station or battery swap station or a charging truck is driven to the parking location. The vehicle is returned to the user once battery charging or swapping is completed. Users are able to select "immediate service" which provides the fastest charging option to meet a more urgent charging demand, "reservation service" for scheduled charging services. We also plan to provide "idle charging" which allows users to set an anticipated start time and end time when their vehicle is expected to remain idle, such as overnight, and the threshold of the vehicle's cruising range when the service will be triggered, as well as a specific location where the vehicle is parked during specific periods. Our one-click charging service will be automatically triggered when the vehicle is idle and parked at the specified location during the specified period. Users are able to monitor their vehicle charging status in real time using our mobile application. We aim to provide users with the fastest charging experience, optimizing convenience to users by identifying the most appropriate charging solution based on the user's and travel habits through cloud-based smart scheduling.

We offer our users our energy package, which provides them with access to our Power Express services and charging solutions, including public charging, access to our Power Mobile charging trucks, and battery swapping for a fixed monthly fee, which is initially set at RMB980 per month if paid monthly, or RMB10,800 annually, for up to 15 charges per month. We currently anticipate that our Energy Package and Power Express services will primarily be utilized by users without home chargers installed. However, users who do not purchase our energy package are able to access our Power Express services and charging solutions on a pay-per-use basis, and the initial price for such services is set at RMB180 per charge.

### ***Access to Public Charging***

Our users have access to a network of public chargers, which as of December 31, 2017 consisted of over 214 thousand publicly accessible charging piles, 59.6% of which are superchargers. These chargers have been installed by both public and private sectors, including state-owned electricity companies and automotive OEMs. Data from over 59,000 public chargers as of July 31, 2018, installed by the third parties, including the China Southern Grid, is synchronized to our cloud so that users can access real time information on the availability and location of these chargers. We plan to increase the number of chargers with data synchronized to our cloud. The Chinese government has also set a target of more than 4.8 million charging piles in 2020. Access to these chargers is included in our energy package or can be provided on a pay-per-use basis. Under normal temperatures

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and battery conditions, the battery of the ES8 would be charged from approximately 20% to 90% power (or battery) level in seven to eight hours using a normal charger or in approximately 75 minutes using a supercharger.

### *Fast Charging Trucks (Power Mobile)*

Through NIO Power Mobile, we provide charging through charging trucks. We plan to use these charging trucks to supplement our charging network. Users are able to book NIO Power Mobile services in advance conveniently through our mobile application. We own fast charging trucks, which have installed our proprietary fast-charging technology.

Our NIO Power Mobile enables an ES8 to run approximately 100 kilometers after charging for ten minutes. We currently plan to have approximately 400 to 500 NIO Power Mobile trucks in operation based on user demand by the end of 2018. We plan to initially deploy these trucks in major cities including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Nanjing and Suzhou, among others. However we may redeploy based on user demand.

### *Battery Swapping (Power Swap)*

We offer our users the ability to arrange for a battery swap for the ES8. Our swap stations are compact stations located in parking lots and other locations. The typical size of a swap station is approximately three parking spaces, or 45 square meters. Swap stations are designed to be fully automated, but for the first and second years of operation we plan to have one staff member at each location to ensure reliability for the initial roll-out. Once a vehicle is parked in the swap station and the driver activates the swap function, battery swapping will take place automatically. Charging of the batteries at swap stations takes place while the batteries are stored at the swap station and their charging status information is sent to our cloud. Our battery swap stations were developed in-house and use chassis replacement technology and apply more than 300 patented technologies to provide precise positioning, rapid disassembly, compact integration, and flexible deployment, allowing battery replacement within minutes.

We have rolled out our battery swapping stations in Beijing, Shanghai, Guangzhou, Shenzhen, Hefei, Chengdu, Nanjing, Suzhou and Hangzhou by the first half of 2018. We plan to add additional cities during the second half of 2018, significantly increasing our number of battery swapping stations by the end of the year.

## **Our Other Value-Added Service Offerings (NIO Service)**

Through one click using our mobile application, our users can access a full suite of innovative services, as part of our strategy of redefining user experience. In addition to our NIO Power solutions described above, we offer our users our NIO Service, being other value-added services primarily through our service package, which can be ordered conveniently through our mobile application.

### *Service Package*

We offer our users a service package, which, at a price initially set at RMB14,800 per year, will provide statutory, third-party liability and vehicle damage insurance through third-party insurers, repair and routine maintenance services, courtesy car during repair and maintenance lasting more than 24 hours, roadside assistance and an enhanced data package, among other services.

Through our service package, we aim to provide users with a “worry free” vehicle ownership experience. Using their mobile application, users are able to arrange for vehicle service with a few clicks. At a user’s request, we pick up the car, arrange for maintenance and repair services, and then return the car to users once the services are done. As long as the maintenance and repair is covered under our service package, no additional fee will be invoiced to the service package subscriber. If the user has a car accident, we will also assist the user in engaging with the insurance company and providing any necessary repairs.

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We plan to provide users who subscribe to this service package with an enhanced Internet data package with an additional 7GB of data per month. We also have agreements with China Taiping Insurance, pursuant to which we will procure basic mandatory automobile insurance and vehicle damage insurance for our users as part of the service package. Users are also be able to supplement this basic insurance coverage with China Taiping Insurance at an additional cost, which will be paid to the insurance provider. We are currently seeking to enter into arrangements with additional insurance providers.

### ***Battery Payment Arrangement***

We plan to provide our users with the option of a battery payment arrangement, where users can make battery payments in installments. This reduces the initial purchase price for our vehicles making the pricing more attractive. For the ES8, there is an RMB100,000 reduction in the purchase price. The battery payment plan initially costs RMB1,280 per month. The monthly installments are payable over 78 months.

### ***Vehicle Financing and License Plate Registration***

We currently have agreements with three banks, namely, Bank of China, China Industrial Bank and China Merchants Bank, pursuant to which we assist users in procuring financing when they purchase our vehicles. We assist our users in their application for financing, making the buying process easier. Through our arrangements with our partner banks, we believe we are able to assist our users in procuring financing on attractive terms. We also apply for license plate registration on behalf of our users at the time of purchase.

### **Vehicle Engineering and Design**

We have significant in-house vehicle engineering capabilities, which cover all areas of vehicle engineering starting from concept to completion. Our vehicle engineering group consists of (i) four design groups, namely: body and exterior; chassis; interior, heating and cooling; and electrical and electronics; (ii) two integration groups, namely mechanical and electrical, which are together responsible for integrating components and systems into a complete vehicle and work with the design groups; and (iii) two advanced engineering groups, vehicle concepts and system concepts, which focus on future products and longer term innovation. We aim to implement industry best practices throughout the engineering and design process.

We have strategically located our vehicle engineering teams based on where we believe the right talent is located. As of July 31, 2018, our vehicle engineering group had 733 employees worldwide, with 631 located in Shanghai, 60 in San Jose, 33 in Oxford and nine in Munich. We have significant engineering capabilities at our Shanghai headquarters, which was selected due to its status as a global automotive hub, providing us with a significant talent pool. Our international offices provide us with deeper capabilities in certain areas. Our San Jose and Oxford teams are focused on advanced development work with our Oxford team also works on complex computer-aided engineering and our Munich team focuses on light-weight material development and vehicle design. Our engineering teams in Munich focus on lightweight and e-powertrain engineering and work on the challenges of energy and resource efficiency and design our vehicles, including interior and exterior.

Our engineering team also emphasizes crash safety. We have run more than 8,400 computer simulations and conducted more than 1,100 physical tests, including three million kilometers of road tests across four continents. Such tests have included performance testing of approximately 140,000 kilometers, durability testing of approximately 1,840,000 kilometers and reliability testing of approximately 2,495,000 kilometers.

### **Our Technology**

We believe one of our core technology competencies is our proprietary e-propulsion system. It also has a modular design, allowing future models to incorporate a significant portion of this technology. Our technologies, including battery management system, electric driving system, vehicle control system, autonomous driving

among others, are cutting-edge and differentiating from our competitors. The ES8 integrates many of these industry-leading technology modules including proprietary e-propulsion system, digital cockpit, enhanced level 2 ADAS System, smart data router, security architecture and cloud data platform to create a comprehensive interactive system for optimal user experience.

#### ***Electric Powertrain (E-propulsion System)***

We have developed our own e-propulsion system. The e-propulsion system consists of primarily of an electric drive system, or EDS, an energy storage system, or ESS, and a vehicle intelligence control system, or VIS.

Our integrated EDS has a copper rotor induction motor, a motor controller with a unique topology design, and a high-torque gearbox. The combination of high-power and high-torque is expected to provide users with powerful driving force. We possess dual technologies for induction motors and permanent magnet motors. Our first volume manufactured vehicle, ES8 is equipped with integrated EDS, delivering 480 kilowatts of power. We are also developing new EDS in smaller power of 150 kilowatts installed with permanent magnet motors.

Our lightweight ESS uses high-performance density battery packs and high-strength housing. ES8 is equipped with our proprietary 70-kilowatt-hour liquid cooled battery pack developed and packaged in house, bringing a high energy density of 135wh/kg. Our ESS is high-capacity and has industry-leading thermal management technology and a safety structure design. In addition, our ESS is equipped with state-of-art battery management system, a high-efficiency liquid-cooled design and swapping technology to achieve long-lasting, stable and new energy solutions. In particular, our battery management system provides real-time monitoring of the vehicle insulation status, a comprehensive fault diagnosis mechanism to ensure the safety and reliability of battery pack use. We are able to upgrade the software of our battery management units and cell supervising circuits and switch-boxes through FOTA updates. We conduct extensive testing to ensure safety, performance, durability and reliability. We also possess the module capability of prismatic, pouch and cylindrical cells, with a planned annual production capacity of over seven Gwh.

Our advanced VIS includes a vehicle control unit, or VCU, electric vehicle controller and ADAS system. The vehicle control system's network architecture also takes into account functional safety and network security. The intelligent high- and low-voltage energy management system can monitor and adjust the optimized pure electric cruising range in real time and the adaptive cruise control system, or ACC, automatic parking and other functions can meet the requirements of automatic assisted driving. All VCUs and ADAS have passed software testing and vehicle calibration and verification, thus bringing a new experience of smart and safe driving.

#### ***Immersive Experiences Powered by Artificial Intelligence***

Our digital cockpit is an AI driven, scalable and flexible architecture that presents the user with an intelligent and immersive interface which provides, we believe, an industry leading integrated user experience. The ES8 uses NVIDIA DRIVE™ for its in-car digital cockpit. It adopts a single highly advanced proprietary controller, supporting a flexible multiple-operating system environment running Android, QNX, and Linux. This in-cabin technology enables a unified user experience across all four interior displays and advanced user interaction through our AI connected assistant, NOMI.

NOMI is designed to be one of the most advanced AI systems in a production vehicle and through NOMI we aim to revolutionize the relationship between users and their vehicles. NOMI continuously learns the users' habits and interests through deep learning algorithms in order to meet their individual needs under different circumstances. We have built flexibility into our system which will allow for new functions and applications to be added through future software updates.



### ***Vehicle Control and Connectivity***

Our vehicles are equipped with our proprietary software and hardware, enabling us to control the vehicles' ECU and BCU modules, including core electric powertrain control software, which allows for an integrated and optimized control over vehicle performance.

Our OTA firmware management technology will allow the operating firmware of ECUs in vehicles to be wirelessly updated and upgraded. The vehicle will be connected to our information cloud at all times, and when there is a firmware or software update available, our cloud will push an update message to the vehicle which triggers an update. Upgrades will be wirelessly downloaded to the vehicle, installed, and launched, including updates for firmware, software, operating systems and applications. OTA updates will enable us to upgrade the operating firmware down to the individual programmable ECU level across the vehicle's core systems such as powertrain and ADAS. We expect this technology will allow us to fix bugs and remotely install new features and services after a vehicle has already been delivered to customers. Thereby, we expect to be able to reduce the cost and time to market of new feature rollouts.

Our proprietary software leverages Linux, QNX and Android systems and control systems such as the central digital cockpit, connected gateway, ADAS and cyber security systems. We believe our highly-integrated design allows us to reduce the development time and cost of new technologies and creates an upgradable and flexible system for our next generation of products. The ES8's smart data router, or SDR, has, we believe, industry leading connectivity and remote service capabilities with a comprehensive end-to-end security framework. The SDR enables a superior driver experience by tracking vehicle settings, user preferences and offering instant remote vehicle diagnostics with respect to faults, alerts and logs to our service and maintenance team. The SDR's high speed Ethernet accelerates our autonomous driving development by uploading relevant video and driving metadata. The SDR also offers a completely integrated vehicle security system enabled by a firewall, an intrusion detection system and machine learning for continuous improvement.

### ***Autonomous Driving***

The ES8's ADAS system is built for advanced processing and learning capabilities.

Our ES8 is equipped with NIO Pilot, a comprehensive enhanced level 2 ADAS system that will update with new features over time through high-speed OTA updates. The ES8 is the world's first vehicle to come equipped with the Mobileye's EyeQ®4 ADAS processor. The NIO Pilot hardware consists of 23 sensors, including a front-facing trifocal camera, four exterior surround cameras, five millimeter-wave radars, 12 ultrasonic sensors, and an interior driver monitor camera. Our multi-sensor ADAS solution has a reaction time that is many times faster than the average human reaction time.

NIO Pilot also has a built-in algorithm that we expect to source driving data across the entire vehicle fleet of ES8s. This allows us to accelerate the enhancement of autonomous driving solutions, without materially impacting driver safety or vehicle operation, before activating these features for users. Our autonomous and assisted driving algorithm development is accelerated by our smart data management system which flags and uploads unusual events (false positives and negative events as well as corner cases) for in-house analysis. We anticipate that as we increase the scale of business and more of our vehicles are on the road, this functionality is expected to enable us to validate algorithms against millions of miles of empirical data in a short period of time.

We plan to roll out our ADAS features through OTA updates after going through a rigorous and thorough testing of the features. NIO Pilot features under development include: (i) active ADAS features, such as automatic emergency braking and collision warning, park assist, adaptive cruise control including traffic jam pilot and lane keeping assistant, highway autopilot for lateral and longitudinal support in certain conditions, and summon for limited automated parking scenarios (ii) driving support, including automatic high-beam control and lane keeping assistance, intelligent speed, side collision and lane changing assistance; and (iii) alerts and warnings, including lane departure warning, blind spot detection, front and rear cross-traffic alerts, side distance indication, door opening warning, and driver alert.

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We have established autonomous driving research and development centers in Shanghai and San Jose. As of July 31, 2018, we had 216 full-time specialized engineers carrying out smart driving system technology projects such as custom production hardware and sensors, environment awareness, data fusion, route planning, vehicle control, deep learning and car networking, with the aim of developing an intelligent driving system for electric vehicles.

In July 2016, our self-driving car completed a start-function test at the National Autonomous Vehicle Testing Center in Shanghai. The test was intended to improve reliability, detection accuracy, and application scenarios through the deployment of a sensor configuration scheme suitable for mass production, multi-sensor data fusion and target detection tracking technology.

In October 2016, we obtained an autonomous vehicle testing permit issued by the State of California and became among the first group of businesses to obtain such a permit. In March 2018, we were in the first batch of companies to obtain a Shanghai Intelligent Connected Vehicle Test Permit to test seventeen items including, among others, obstacles identification and response and automatic emergency braking in the testing roads. In April 2018, we were in the first batch of companies to obtain a Beijing Autonomous Driving Test License, to test various items including, among others, perception and compliance with traffic regulations, emergency reaction and manual intervention and integrated driving ability on testing roads.

In December 2016, we established a cross functional team for ADAS system management with core members from project management, autonomous driving development, supply chain, product quality, product planning, manufacturing, logistics and finance. Our ADAS system management team is committed to deploying technology to products tailored for the Chinese market. It collaborates closely with vehicle integration, electric architecture and other engineering teams to ensure successful product rollout. To date, our ADAS and automated driving programs have driven over 2,102 hours (over 45,000 miles) to collect data as well as validate features and functionality and continue to add more miles every week.

In February 2017, we set a world record by completing the fastest autonomous lap at the Circuit of the Americas Race Track in Austin, Texas. The NIO EP9 drove autonomously without any interventions, recording a time of two minutes 40.33 seconds at a top speed of 160 mph.

### ***Cloud Data Platform and Integrated Vehicle Security Solution***

Our cloud data platform stores vehicle, sensor and user data in a single data lake to minimize data duplication and cost. We can easily access fleet level data and analytics for diagnostic purposes and autonomous driving development. The NIO cloud data platform is designed to enable rapid development and deployment of new applications across fleet and users.

While other OEMs must use multiple vendors to build their security solutions, we have one comprehensive end-to-end security framework. Our integrated security framework protects vehicle data from end-of-assembly to end-of-life. All external and critical internal communications are protected by on-the-fly encryption. Our cloud-based developer suite for maintenance and analytics enables us to continue improving our security and stay ahead of future threats.

### ***Worldwide Research and Development Footprint***

We have strategically located our teams in locations where we believe we will have access to the best talent. Our global engineering office is located at our Shanghai, China headquarters. Our vehicle design headquarters is in Munich, Germany and our software and autonomous driving technology is designed and developed at our North American headquarters in San Jose, U.S. Our Formula E headquarters and advanced vehicle concepts team are stationed across two United Kingdom offices in London and Oxford.

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### *Shanghai*

Our engineering research and development headquarters is in Shanghai, where we had a team of 2,494 research and development personnel as of June 30, 2018. Our team in Shanghai coordinates between each of our other research and development teams globally while also focusing on vehicle integration, electrical engineering and integration, body and interior engineering, chassis engineering and engineering quality and support. In Shanghai we have an advanced research and development center, which provides comprehensive testing and research and development services related to electric and smart vehicles, including vehicle integration, electric engineering and integration, battery, motor, and electrical control, power management and charging devices, customer service and spare parts management. More than half of the patents obtained globally by us originated from our team in Shanghai.

### *Silicon Valley*

Our San Jose office, located in the heart of Silicon Valley, is our North American headquarters and global advanced technology center. As of June 30, 2018, the San Jose team consisted of 518 employees, 55 of which are focused on vehicle engineering. We also have a smaller studio in San Francisco with 23 employees focused on user experience and interface. Our teams in San Jose and San Francisco focus on innovation in the areas of: autonomous systems, artificial intelligence, electric powertrain technology, digital systems, cloud architecture, digital cockpit security, user experience, user interface and vehicle engineering.

### *Munich*

Our Munich office is primarily responsible for our product and brand design. As of June 30, 2018, in Munich we had a team with approximately 167 employees, nine of which are focused on vehicle engineering, vehicle interior and exterior design, user experience and user interface design, brand design, supply chain management, and e-powertrain engineering.

### *United Kingdom*

In the U.K. we have a London office which is our performance product research and development center and our Formula E team headquarters. The office is responsible for our cooperation with the FIA Formula E program and U.K. market operations. Our Centre for Innovation and Enterprise is located at the Begbroke Science Park near Oxford and houses our performance program, advanced engineering group and our Formula-E team technical offices. The Formula-E team's operational base is at Donington Park. We had 25 employees focused on vehicle engineering in the U.K. as of June 30, 2018.

## **Vehicle Servicing and Warranty Terms**

### *Service, Service Centers and Service Vans*

We plan to provide servicing primarily through authorized third party service centers, which provide repair, maintenance and bodywork services. We have a network management team, which is responsible for bringing authorized service centers into our network. Our team selects service centers based on the following criteria: (i) capability of repairing the aluminum alloy body of our vehicles, (ii) experience with servicing high-end branded vehicles, as these typically have more complex features requiring more technical training which would also be useful in servicing our vehicles, and (iii) service-related operational capabilities as determined by our field team during on-site inspections. We enter into agreements with the service centers, pursuant to which a service center first becomes a candidate. Following the purchase of certain required equipment by the candidate service center, including diagnostic equipment and tools and training by our staff, we conduct a review and provided that the review is successful, we certify the service center as an authorized center which will be available to our users through our mobile application. As of July 31, 2018, we had 53 authorized service centers across 32 cities, including Beijing, Shanghai, Shenzhen, Chengdu, Hefei, Hangzhou, Wuhan, Nanjing, Suzhou and Guangzhou.

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By July 31, 2018, we have deployed 25 vans in 21 cities which we selected based on user demand. We also plan to increase coverage thereafter based on user demand.

### ***New Vehicle Limited Warranty Policy***

For the initial owner of each ES8, we are providing an extended warranty subject to certain conditions, among others, including that the extended warranty only applies for the original owner of the vehicle and not for any subsequent buyers of the vehicle, that the user must service the vehicle only with us or one of our authorized service centers and that the vehicle must not have experienced any major accident. As required under relevant PRC law, we also provide (i) a bumper to bumper three-year or 120,000-kilometer warranty, (ii) for critical EV components (battery pack, electrical motors, power electrical unit and vehicle control unit) an eight-year or 120,000-kilometer warranty, and (iii) a two-year, 50,000-kilometer warranty covering vehicle repair, replacement and refund. See “Risk Factors—Our warranty reserves may be insufficient to cover future warranty claims which could adversely affect our financial performance”.

## **User Development and Branding**

### ***User Development***

We aim to engage with users and create an environment conducive for user interaction both online and offline. Our mobile application had approximately 490,000 registered users as of July 31, 2018.

### ***Mobile Application***

Our mobile application is designed to be a portal not only for selling cars where users can make reservations for the ES8 and in the future our other vehicles, but also for accessing our other services including those under our energy package and service package.

The layout of products offered on our mobile application is designed to be intuitive and easy to use. Our mobile application allows customers to order an ES8 and easily check the latest status of an order. Users can also use our mobile application to find charging stations or arrange for charging or battery swap services through NIO Power. Users are also able to monitor battery and charging status using our mobile application.

In order to foster community building our application allows our users to engage with other users through moment sharing and users can shop for our merchandise and earn NIO Credits. Users have shared more than 270,000 photos using our mobile application. We also notify users of our events through our mobile application.

Our mobile application also has our product information and information on locations of NIO Houses. Customers can also shop in our online shop for items such as NIO apparel, accessories, games and children’s items. Using the friend function, our customers can connect with other NIO customers. Our mobile application also keeps our users updated on our latest announcements and activities.

### ***NIO House***

We aim to provide our users with experiences that go beyond the car with our NIO Houses. NIO Houses are intended to function not just as showrooms for our vehicles and services, but also as a living space for our customers and their friends. Potential users can browse our cars and products and go for test drives and interact with our team of user development specialists. If a new user decides to purchase a car, our team walks them through the process and assists the user in completing his or her order through our mobile application.

In November 2017 we opened our first NIO House in Beijing, and as of July 31, 2018 had two in Shanghai, two in Beijing, one in Nanjing, one in Guangzhou and one in Hangzhou. We plan to open at least five more NIO Houses in Shenzhen, Xi’an, Hefei, Suzhou and Chengdu, and several pop-up NIO Houses in 2018.

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The first NIO House, which occupies over 32,000 square feet, has two floors and seven main areas and is Beijing's largest brand experience center. The features and design of each NIO House may vary based on what we believe to be user preferences in the relevant city or area and we may include larger flagship NIO Houses as well as other types such as NIO House "light" in smaller cities and pop-up NIO Houses. Each NIO House features a gallery showcasing our brand and products, and may also feature a lounge for our users to relax and socialize, forums which consist of a theater and which we intend to be a place for gatherings, meetings or presentations, "labs" which are bookable meeting rooms and workspaces, a library, an open kitchen and a kids joy camp. Although we charge (through cash or NIO Credits) small amounts for the use of certain services at NIO Houses or for certain items, we mainly intend to use NIO Houses to support our vehicle sales and user development activities.

### ***Branding***

We focus on promoting awareness of our brand generally and in particular as a premium brand with high-quality vehicles and services in China. We aim to engage in cost-effective branding activities taking advantage of social media and to build an online and offline ecosystem of users that will promote awareness of our brand. To a lesser extent, we engage in limited mass-marketing, such as through billboard advertising in airports. Our branding efforts include the following:

#### *NIO Day*

We held our first "NIO Day" in December 2017 at the Beijing Wukesong Arena, where we introduced the ES8. We plan to hold NIO Day each year on which we introduce our new vehicles and products to users. Our first NIO Day consisted of a presentation by our CEO, Bin Li, who introduced our ES8, charging solutions and other services. The event had 110 million views and produced a significant increase in our social media followers as well as over 7,000 Chinese media reports. We believe that NIO Day gives us an opportunity to interact with our current and prospective users while providing us with more publicity and brand awareness.

#### *Formula E*

We have a Formula E team, which is a racing team that competes in the Fédération Internationale de l'Automobile, or FIA, Formula E championship electric racing series, which helps increase brand awareness. We were the title sponsor for the winning driver in the first Formula E season in 2015.

#### *EP9*

Our development of the EP9 was part of our brand-building efforts. Through its achievements it brings attention to our capabilities and to our brand. The EP9 is an electric two-seat sports car developed by us. The EP9 has four high-performance inboard motors and four individual gearboxes, the EP9 delivers 1-MegaWatt of power, equivalent to 1,360PS. The EP9 accelerates from zero to 200 kph in 7.1 seconds and has a top speed of 313 kph. With an interchangeable battery system, the EP9 is designed to be charged in 45 minutes. The EP9 achieved a new lap record at the Nürburgring Nordschleife where on October 12, 2016, the EP9 lapped the 20.8 kilometer 'Green Hell' in 7 minutes and 5.12 seconds, beating the previous electric vehicle lap record held, marking it out as one of the fastest electric cars in the world. On May 12, 2017, the EP9 lapped the 20.8 kilometer 'Green Hell' in 6 minutes and 45.90 seconds, breaking its own record. Additionally, in November 2016, it set a new electric vehicle record at Circuit Paul Ricard in France, recording a time of 1 minute 52.78 seconds, surpassing the previous record of 2 minutes and 40 seconds. We believe these achievements along with the media attention we have received have boosted our reputation and awareness of our brand.

### *Other Branding Activities*

We also participate in events, including displaying our cars and technology at autoshow, such as Shanghai's 17<sup>th</sup> International Automobile Industry Exhibition, where we unveiled the ES8 and showcased the EP9 as well as our vision concept car, the NIO EVE. We also showcased the NIO EVE at the South by Southwest festival in Austin, Texas. We have conducted over 500 smaller events since May 2017 engaging we believe more than 200,000 people. We also have NIO Life, which includes an online store where users, using our mobile application, can purchase NIO merchandise, including NIO sweaters, miniature cars, phone cases, tote bags and calendars, among others. Since we launched our online store in December, 2016, over 500,000 pieces of merchandise have been sold or awarded to our users online and offline. We also provide users with NIO Credits to encourage user engagement and for certain positive behavior including a clean safety record for the year. Credits are earned, among other things, through frequent sign-ins to our mobile application, sharing articles from the application to users' own social media, a welcome pack upon the purchase of a vehicle, and referrals of new vehicle purchasers. Credits can be used both at our online store and at our NIO Houses to purchase merchandise. As of July 31, 2018 approximately 432 million NIO Credits had been used in total.

### **Manufacturing, Supply Chain and Quality Control**

We view the manufacturers and suppliers we work with as key partners through our vehicle development process. We aim to leverage our partners' industry expertise to ensure that each vehicle we produce meets our strict quality standards.

#### *Manufacturing*

##### *Nanjing Advanced Manufacturing Engineering Center*

Our Nanjing Advanced Manufacturing Engineering Center, or Nanjing AMTEC, houses our trial production, or pilot line, which is mainly used to test engineering prototypes and is also used by our research and development department to develop and verify new processes, materials and products. We believe that our use of this line advances production time by six months to eight months. All of our new models are first tested at the Nanjing AMTEC. The Nanjing AMTEC pilot line covers the three processes of bodywork, painting and general assembly. As of July 31, 2018, we had approximately 104 full-time employees at our Nanjing Advanced Manufacturing Engineering Center, of which approximately 12.5% are engineers and the remainder are primarily technicians.

We also use our Nanjing Advanced Manufacturing Engineering Center to train employees for the JAC-NIO manufacturing base.

#### *Partnership with JAC*

We entered into an arrangement with Jianghuai Automobile Group Co., Ltd., or JAC, for the manufacture of the ES8 for five years starting from May 2016, which may be renewed as agreed by JAC and us. JAC is a major state-owned automobile manufacturer in China, with a 50 year history of automotive manufacturing and annual sales of nearly 700,000 vehicles including passenger and commercial vehicles. JAC has in-house development, manufacturing, and testing systems for new energy vehicles, and is an established player in China's new energy vehicle market. In addition, JAC has a joint venture partnership with Volkswagen for the manufacturing of electric cars. We also expect our partnership with JAC will allow us to bring our vehicles to the market at an accelerated pace by taking advantage of JAC's capacity and through its capital investment and support. JAC has invested more than RMB2.2 billion to the construction of a brand-new world-class factory for the production of the ES8 and potentially other future vehicles with us. This factory has the capability of conducting stamping, welding, painting and assembly, and is equipped with testing tracks, a quality inspection center and a utility power and sewage treatment center. Given its advances in new energy vehicle manufacturing, JAC has contributed to our ability to bring the ES8 to the market more quickly and helps us to meet our production requirements.

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We exercise significant control in the manufacturing partnership with JAC to ensure high quality standards. We conduct product development, provide supply chain systems, set production technique standards, and put in place quality management systems. We take a number of steps throughout the entire manufacturing process to ensure that our vehicles are manufactured in accordance with our standards. These steps include: at the procurement stage, we are responsible for procuring all third party components for our vehicles and apply our quality assurance procedures with respect to suppliers; at the manufacturing stage, we have taken several measures, including: (i) the key tooling equipment, including stamping equipment, body connection equipment and inspection tools at the factory is procured and owned by us, (ii) we have trained certain key supervisory personnel at our Nanjing Advanced Manufacturing Engineering Center. We have implemented operational policies and guidelines as well as quality inspection measures, conducting inspections of both parts and completed vehicles.

Pursuant to our agreement with JAC, we pay JAC on a per-vehicle basis monthly for the first three years, which allows us greater cost flexibility as we ramp up our operations. The factory covers an area of 138 acres. The factory has pressing facilities which include a high-speed, fully automated, five-sequence pressing line. It uses fully automated operation, real-time monitoring and alarm connection parameters to ensure reliable connection quality, while a total body laser detector is also equipped on the line to monitor the dimensional accuracy of the vehicle body. The factory has state-of-art production facilities and techniques, and also applies environmentally friendly techniques and uses renewable energies. Photovoltaic panels on top of the factory are expected to be installed to make use of solar energy and ground-source heat pumps have been used in the assembly area to provide a temperate working environment. We along with JAC have also put together a high-quality workforce, consisting of experienced management and supervisors from us and JAC and thousands of outstanding front-line employees selected from JAC, providing what we believe to be sufficient manpower for an annual production capacity of 120,000 vehicles based on running three shifts per day.

As of July 31, 2018, the factory had approximately 2,056 employees, of which approximately 150 were employed by us and the remainder were employed by JAC. Our employees at the factory take on key management and supervisory roles in production, quality control and training.

We estimate that if all our current unfulfilled reservations, for more than 17,000 ES8s as of July 31, 2018, are ultimately converted into orders, we would fulfill such orders within six to nine months following the date of this prospectus. Our aim is in the future to manufacture vehicles within 21-28 days from the order date.

### ***Powertrain and Battery Pack***

We manufacture our powertrain, or e-propulsion system, our battery pack and engine driving system. We established our Advanced Manufacturing Technology Centers, or AMTECs, in Nanjing for pilot production, motors and EDSs, Kunshan for inverters and Changshu for energy storage systems.

Nanjing AMTEC is located in the Nanjing Economic and Technological Development Zone. Its first phase was completed in August 2016. Its plant and ancillary facilities have a building area of 64,000 square meters and mainly produce motor and electric drive products with a planned capacity to make up to 300,000 motors annually. It is equipped with an intelligent information management system which is able to trace real-time performance of labor, equipment and materials, and technique parameters, quality and final products. Nanjing AMTEC has advanced equipment sourced from reputable international suppliers including ABB, DMG, and TRUMF.

A second phase of Nanjing AMTEC is under construction, with planned production bases and power centers for PM motors, ESS, EDS and inverters, and additional highly automated lines which are expected to be put into operation by the end of 2018. Meanwhile, Nanjing AMTEC has passed the ISO 16949 audit.

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In Changshu we have a joint venture with Zhengli Investment Co., Ltd. for the production of pure electric automobile energy storage systems for the ES8. In Kunshan we have our manufacturing base for inverters.

### ***Our Future Manufacturing Plant***

Our own manufacturing facility in Shanghai is currently under construction by certain Shanghai government entities. We expect that this facility will expand our manufacturing capacity for the ET7 and future models, complementing our JAC manufacturing alliance supplying the ES8 and ES6. We expect that this facility will be ready by 2020 and will facilitate our ability to obtain our own EV manufacturing license. To encourage and facilitate our establishment of this factory, we have entered into arrangements with the Shanghai governmental authority and an authorized investment entity pursuant to which such parties have agreed to provide us with certain financing, tax incentives and other support, including constructing the factory.

Pursuant to such arrangements, we have entered into a framework agreement with relevant authorized investment entity of the Shanghai authority, under which we expect to obtain a leasehold interest in the property on which the facility is located and such lease is expected to have a term of no less than 10 years. The first five years will be rent-free and the following five years will have a discounted rental fee with reference to local market rates, the construction cost of the factory and our contribution to the local economy each as determined by the Shanghai authority. We expect to finalize the terms of the leasehold interest, including any renewal terms and enter into the relevant lease agreement prior to completion of construction of the factory.

We expect to make significant capital expenditures in connection with the establishment of our own manufacturing facility. See “Management’s Discussion and Analysis of Results of Operations and Financial Condition—Capital Expenditures.”

### ***Our Suppliers***

We have a “global brand, locally build” strategy where, to the extent practicable, we seek to partner with reputable international brands which have operations in China. The ES8 uses over 1,700 purchased parts which we source from over 160 suppliers. The majority of our supply base is located in China (including a significant portion of our suppliers which are global suppliers with a Chinese footprint), which we believe is beneficial as it enables us to acquire supplies more quickly and reduces risk of delays related to shipping and importing. For the ES6, we intend to use most of the same core suppliers as those for the ES8, but for certain parts we are still in the process of sourcing suppliers. We expect that as our scale increases we will be able to better take advantage of economies of scale with respect to pricing.

We have developed close relationships with several key suppliers. These include Mobileye B.V., which provides its Mobileye EyeQ®4 ADAS processor used in the ES8, CATL, which provides battery cells used in the battery pack of the ES8, Continental, which provides its Air Suspension system, Bosch, which provides its iBooster (vacuum-independent electromechanical brake booster which is a key component for electromobility and driver assistance systems) and ADAS hardware (sensors and radars) used in the ES8, ThyssenKrupp, for steering systems, Novelis, for aluminum coils used in the aluminum body panel of the ES8. Our electric driving systems and energy storage systems are developed in-house. We believe we have strong relationships with our suppliers, despite our limited operating history, many of our suppliers have been willing to support our business. For example, we believe we are one of the first brands using the Bosch iBooster braking system in China.

We obtain systems, components, raw materials, parts, manufacturing equipment and other supplies and services from suppliers which we believe to be reputable and reliable. Similar to other global major automobile manufacturers, we follow our internal process to source suppliers taking into account quality, cost and timing. We have a part quality management team which is responsible for managing and ensuring that supplies meet quality standards. Our quality standards are guided by industry standards, including AIAG (Automotive Industry Action Group) APQP (Advanced Product Quality Planning) and PPAP (Production Part Approval Process) procedures, which were developed by the U.S. auto industry.



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Our method for sourcing suppliers depends on the nature of the supplies needed. For general parts which are widely available, we seek proposals from multiple suppliers and choose based on quality and price competitiveness, among other factors. For parts requiring special designs, we solicit design proposals and choose largely based on design-related factors. However, in certain cases we have limited choices given our scale, such as for aluminum and battery cell packages, so in such circumstances we typically partner with suppliers that we believe to be well-positioned to meet our needs.

We enter into strategic framework agreements with key suppliers. These agreements typically cover the life-cycle of a particular model of vehicle. We use various raw materials in our business including aluminum, steel, carbon fiber, other non-ferrous metals such as copper, as well as cobalt. The prices for these raw materials fluctuate depending on market conditions and global demand for these materials. For certain raw materials, such as aluminum, our pricing is set within pricing bands which shift with respect to market prices.

While we obtain components from multiple sources whenever possible, similar to other automobile manufacturers, many of the components used in our vehicles are purchased by us from a single source. Eventually we plan to implement a multi-source volume purchasing strategy in order to reduce our reliance on sole source suppliers. We believe that will also help us to increase our ability to obtain quality components with better cost competitiveness.

### ***Quality Assurance***

We aim to deliver high-quality products and services to our users in line with our core values and commitments. We believe that our quality assurance systems are the key to ensuring the delivery of high-quality products and services, and to minimize waste and to maximize efficiency. We strongly emphasize quality management across all business functions including product development, manufacturing, supplier quality management, procurement, charging solutions, user experience, servicing and logistics. Our quality management groups are responsible for our overall quality strategy, quality systems and processes, quality culture, and general quality management implementation.

During the product development, many phases of testing vehicles are built to verify our design and production processes. For example, we built more than 250 ES8 testing vehicles in order to conduct a wide range of function and durability tests. The durability test runs for more than an aggregate of three million kilometers.

Our first volume manufactured vehicle, the ES8, is manufactured at a new plant which is operated jointly by JAC and us with quality standards implemented by our team. All lines including stamping, body-in-white, painting, and general assembly are developed in accordance with industry standards with a higher degree of automation. The manufacturing process performance failure mode effect analysis, control plans, and standard operation procedures are developed and audited carefully by us. We apply advanced product quality planning (APQP), which is a framework of procedures and techniques utilized in the global automotive industry, across all phases of product development and supplier quality management. Through our factory automated system, we monitor manufacturing process parameters and parts information for process control and traceability.

### ***Other Partnerships***

We have partnered with other strategic partners including Baidu for its online video iQIYI, search engine and map data and mapping technology and Tencent for its Tencent Cloud, QQ music, Keen Lab and for NOMI text to speech function.

### **Certain Other Cooperation Arrangements**

We have entered into arrangements with Guangzhou Automobile Group Co., Ltd, or GAC, and Chongqing Changan Automobile Co Ltd, or Changan in order to take advantage of market opportunities in the entry and

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mid-range segments of the Chinese EV market, reduce supply chain costs through potential joint procurement and jointly conduct research and development activities. Any vehicles developed and sold under these arrangements will be marketed and sold using GAC's, Changan's, or other jointly developed brands.

### ***GAC***

In April 2018, (i) we, (ii) an entity associated with our founder Bin Li, Hubei Changjiang Weilai New Energy Industry Development Fund Partnership (Limited Partnership), or NIO Capital, (iii) Guangqi New Energy Automobile Co., Ltd., and (iv) GAC, jointly established a joint venture company, GAC-NIO New Energy Vehicle Technology Co., Ltd., or GAC JV, to mainly engage in electric vehicle and parts development, sales and services. GAC is a Chinese state-owned automaker headquartered in Guangzhou, Guangdong and listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. Pursuant to the joint venture agreement entered into on December 28, 2017, we have agreed to invest 22.5% of the registered capital of the joint venture and unless otherwise unanimously approved by the board of directors of GAC JV, no dividend distribution will be made among shareholders prior to a qualified initial public offering of GAC JV. Pursuant to the joint venture agreement, a qualified initial public offering refers to the listing of the GAC JV on any of China's stock exchanges approved by its board of directors by means of initial public offering, reverse takeover or a merger or acquisition with a similar effect. As of the date of this prospectus, no specific timing has been set for such initial public offering, though it remains a medium to long-term goal. The joint venture agreement is valid for 20 years and can be renewed as agreed by the joint venture parties. The total registered capital of the joint venture is RMB500 million. With respect to governance rights, the parties have agreed that the board of directors will have five directors, with one appointed by each party and the remaining director appointed by all the parties together.

### ***Changan***

In January 2018, we and Changan entered into a joint venture agreement and a supplemental agreement agreeing to set up a joint venture, Changan NIO Renewable Automobile Co., Ltd., with a total registered capital of RMB98 million of which RMB49 million will be contributed by us. Pursuant to the joint venture agreement, it is valid for 20 years and can be renewed as agreed by Changan and us. We expect to receive distribution of profits, if any, after deducting required reserves, in proportion to the respective actual capital contributions to be made by Changan and us. Pursuant to the joint venture agreement, "required reserves" include statutory reserve funds and surplus reserve funds. Under the Company Law of the PRC, before a company distributes its after-tax profit for the current year, 10% of the profit must be allocated to its statutory reserve funds, and the company is not required to do so once the cumulative amount of the statutory reserve funds reach 50% or more of the company's registered capital. If the statutory reserve funds of the company are not sufficient to cover its losses in previous years, the company shall use the profit of the current year to cover the losses before accruing the statutory reserve funds. After the company has accrued the statutory reserve funds from its after-tax profit, it may, subject to its shareholders' or the board's decision, accrue certain discretionary reserve funds, including surplus reserve funds, from the after-tax profit. Changan is a state-owned Chinese automaker headquartered in Chongqing, China and listed on the Shenzhen Stock Exchange. The joint venture may provide services, such as design or development of vehicle or components, sales and after sale service, sales of auto parts and EV-related technology services. Pursuant to the joint venture agreement, any vehicles produced by the joint venture may use a Changan trademark and the joint venture will enter into a separate trademark license agreement with Changan. With respect to governance rights, we and Changan have agreed that the board of directors will have five directors, with two appointed by each party and the remaining director appointed by us and Changan together.

### **Sales and Delivery of Vehicles**

We directly sell our vehicles to users, which we believe allows us to provide a more consistent, differentiated and compelling user experience, compared to the traditional franchised distribution model used by our competitors in China. Vehicle purchases are placed through our mobile application, which provides an easy to follow and interactive vehicle shopping experience to our users. This also provides us with real time

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information on demand for our vehicles, allowing us to plan our production more efficiently and reducing inventory needs. At our NIO Houses, users are able to purchase vehicles using our mobile application, assisted by our sales representatives at the NIO Houses. Users purchasing outside of our NIO Houses typically purchase through our mobile application and use our hotline for assistance with the purchase. We believe that our online and offline direct sales model is more cost efficient by cutting out franchised distribution costs as well as lowering the number of physical locations required and also allows us to expand our sales network effectively and efficiently in China.

We have set up a vehicle delivery center in Shanghai, and we are constructing delivery centers in Beijing, Guangzhou, Shenzhen, Chendu, Hefei, Hangzhou, Nanjing, Suzhou and Wuhan. Vehicles will be delivered to users at such centers.

### **Competition**

Competition in the automotive industry is intense and evolving. We believe the impact of new regulatory requirements for occupant safety and vehicle emissions, technological advances in powertrain and consumer electronic components, and shifting customer needs and expectations are causing the industry to evolve in the direction of electric-based vehicles. We believe the primary competitive factors in our markets are:

- pricing;
- technological innovation;
- vehicle performance quality and safety;
- service and charging options;
- user experience;
- design and styling; and
- manufacturing efficiency.

The China automotive market is generally competitive. We have strategically entered into this market in the premium EV segment in which there is limited competition relative to other segments. However, we expect this segment will become more competitive in the future. We also expect that we will compete with international competitors including Tesla. Our vehicles also compete with ICE vehicles in the premium segment.

We believe that we are strategically positioned in China's premium electric vehicle market, given the quality and performance of our ES8, and its attractive pricing. Currently the ES8 is the only premium electric vehicle manufactured domestically, which gives us price advantages against imported premium brands due to government electric vehicle subsidies and absence of import taxes.

### **Intellectual Property**

We have significant capabilities in the areas of vehicle engineering, development and design. As a result, we have developed a number of proprietary systems and technologies. As a result, our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patents, patent applications, trade secrets, including employee and third party nondisclosure agreements, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology. As of June 30, 2018 we had 737 issued patents and 1,995 pending patent applications, 1,086 registered trademarks and 2,079 pending trademark applications in the United States, China, Europe and other jurisdictions including more than 120 relating to our e-propulsion system. As of June 30, 2018, we also held or otherwise had the legal right to use 35 registered copyrights for software or work of art and 514 registered domain names, including [www.nio.io](http://www.nio.io). We intend to continue to file additional patent applications with respect to our technology.

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## Employees

As of June 30, 2018, we had 6,231 full-time employees. The following table sets forth the numbers of our employees categorized by function and region as of June 30, 2018.

	<u>As of June 30, 2018</u>
<b>China:</b>	
User experience (sales and marketing and service)	1,994
Product development	564
Manufacturing	1,789
General administration	520
Software design	600
<b>Northern California:</b>	
Design, research and development	444
General administration	74
<b>Munich:</b>	
Design department related	132
Non-design/support related (management, HR, legal, finance, administration, purchasing (supply chain), lightweight engineering)	35
<b>United Kingdom:</b>	
London (Management, finance, legal, sponsorship, UK corporate headquarters)	14
Oxford (Performance Programme and Engineering)	60
Donington (Permanent race team members)	5
<b>Total number of employees</b>	<u>6,231</u>

Our employees have set up a labor union in China according to PRC Labor Law and PRC Labor Union Law. However, no collective bargaining agreement has been put in place. To date we have not experienced any work stoppages, and we consider our relationship with our employees to be good.

## Facilities

Currently, we own land use rights with respect to a parcel of land in Nanjing of approximate 325,289.51 square meters and the ownership with respect to the plant thereon for a term ending on March 10, 2063, which are used for manufacture of our e-propulsion system, battery pack and engine driving system. We also leased a number of our facilities. The following table sets forth the location, approximate size, primary use and lease term of our major leased facilities:

Location(1)	Approximate Size (Building) in Square Meters/ Feet(2)	Primary Use	Lease Expiration Date
Shanghai, China	47,987	Global headquarters and office	November 2, 2018 – June 19, 2025
	8,092	User center (sales, marketing, and customer service)	March 14, 2022 – September 30, 2025
	24,566	Integrated vehicle research and development	April 9, 2021 – June 19, 2025
Shenzhen	797	Power management	February 28, 2020 – September 3, 2022
	13,645	Sales, marketing, and customer service	September 30, 2023 – July 19, 2027

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Location(1)	Approximate Size (Building) in Square Meters/ Feet(2)	Primary Use	Lease Expiration Date
	367.5	Power management	January 31, 2022 – 31 December 2022
Chengdu	3,982	Sales, marketing, and customer service	December 31, 2020 – March 31, 2028
	358	Power management	February 28, 2020 – June 30, 2025
Hangzhou	498	Office	October 5, 2018
	1,221	Sales, marketing, and customer service	June 30, 2023 – December 31, 2023
	492	Power management	November 30, 2021 – October 31, 2022
Nanjing	163	Office	November 5, 2018
	5,405	Sales, marketing, and customer service	March 31, 2023 – October 31, 2023
	351	Power management	December 31, 2021 – March 31, 2023
Suzhou	355	Office	May 31, 2018 – May 31, 2021
	8,631	Sales, marketing, and customer service	April 30, 2024 – August 31, 2024
	219	Power management	February 28, 2022 – 31 July 2022
Beijing	3,170	Office	October 19, 2018 – July 31, 2020
	18,027	Sales, marketing, and customer service	June 30, 2022 – June 30, 2027
	927	Power management	December 19, 2019 – March 31, 2023
Hefei	45	Power management	February 28, 2023
Kunming	30	Office	June 30, 2019
Jinan	43	Office	June 14, 2019
Zhuhai	50	Office	June 19, 2019
Guangzhou	4,674	Sales, marketing, and customer service	December 31, 2020
	429	Office	August 31, 2018 – October 31, 2020
	1,693	Sales, marketing, and customer service	December 31, 2025
	460	Power management	December 30, 2021 – December 31, 2022
Wuhan	7,228	Sales, marketing, and customer service	May 6, 2019 – July 31, 2028
Xi'an	863	Sales, marketing, and customer service	September 30, 2024
Chongqing	167	Office	May 24, 2019
Ningbo	286	Office	May 9, 2019
Wenzhou	327	Office	April 22, 2019
Wuxi	21	Office	September 30, 2018
Tianjin	2,049	User center	November 14, 2024
San Jose, California	85,017	North American headquarters and global software development center	September 30, 2023

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Location(1)	Approximate Size (Building) in Square Meters/ Feet(2)	Primary Use	Lease Expiration Date
	99,424	Sales, marketing light assembly, research and development	September 30, 2023
San Francisco, California	4,049	User experience/user interface team	Renewable monthly
	12,250	User experience/user interface team	September 1, 2019
Munich, Germany	40,000	Design headquarters	December 2010 – December 2021
Air Street, London (UK)	2,960	Management, finance, legal, sponsorship, UK corporate HQ	January 2026, break option in January 2021
Begbroke Science Park (Oxford, UK – Rooms 37, 43, 44, 45, 49 and 50)	5,490	Formula E / Performance Programme HQ, engineering function	August 2019 – August 2020
Donington Park (UK)	11,187	Formula E racing garages	June 2019

Notes: (1) We also lease a number of facilities for our NIO House locations, office space, service and logistics centers and small areas for battery swap stations in China.  
(2) Properties in China and Germany are presented in square meters. All others are presented in square feet.

We intend to add new facilities or expand our existing facilities as we add employees and expand our production organization. We believe that suitable additional or alternative space will be available in the future on commercially reasonable terms to accommodate our foreseeable future expansion.

### Insurance

We maintain property insurance, machinery breakdown insurance, fire insurance, public liability insurance, commercial general liability insurance, employer's liability insurance and drivers liability insurance. We do not maintain business interruption insurance or key-man insurance. We believe that our insurance coverage is adequate to cover our key assets, facilities and liabilities.

### Legal Proceedings

From time to time, we may be involved in legal proceedings in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings.

## REGULATION

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China.

### Regulations and Approvals Covering the Manufacturing of Pure Electric Passenger Vehicles

Under the PRC law, as a newly-established pure electric vehicle automaker, we must obtain approvals with respect to our investment in our pure electric passenger vehicle manufacturing project from a competent investment department of the State Council, the NDRC, and must have complete vehicle research and development capabilities and power systems and other technologies, among other requirements. Relevant laws include, among others, the *Regulations on the Administration of the Approval and Filing of Enterprise Investment Projects*, which became effective on February 1, 2017, the *Measures on the Administration of the Approval and Filing of Enterprise Investment Projects*, which came into effect on April 8, 2017, the *Circular of the State Council on Promulgating the Catalogue of Investment Projects Subject to the Approval of the Government (2016 Version)*, effective from December 12, 2016, and the *Regulations on the Administration of Newly Established Pure Electric Passenger Vehicle Enterprises*, or the New Electric Passenger Vehicle Enterprise Regulations, which became effective on July 10, 2015.

In addition, under the New Electric Passenger Vehicle Enterprise Regulations, after we obtain the approvals from the NDRC and complete construction of our pure electric passenger vehicle manufacturing project, we may apply with the Ministry of Industry and Information Technology, or the MIIT, for review on us and our vehicles. Before we and our vehicles (including our current vehicles manufactured in cooperation with JAC and our future in-house manufactured vehicles) can be added to the *Announcement of Vehicle Manufacturers and Products* issued by the MIIT, or the Manufacturers and Products Announcement, which is required in order for us to become a qualified manufacturer to manufacture vehicles in China and for our vehicles to be approved for manufacture and sale in China, we and our vehicles must meet the applicable requirements set forth in relevant laws and regulations, including, among others, the *Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products*, or the MIIT Admission Rules, which became effective on July 1, 2017, and the *Administrative Rules on the Admission of Passenger Vehicles Manufacturer and Products*, which became effective on January 1, 2012, and pass the review by the MIIT. Enterprises such as our company must establish product consistency management systems in order to ensure that vehicles manufactured conform to the approved vehicle requirements set forth in the Manufacturers and Products Announcement. Pure electric passenger vehicles entered into the Manufacturers and Products Announcement are required to undergo regular inspection every three years by MIIT so that MIIT may determine whether the vehicles remain qualified to stay in the Manufacturers and Products Announcement. Additionally, the MIIT conducts random inspections in order to assess the satisfaction of the conditions of entry to the Manufacturers and Products Announcement by a newly established pure electric vehicle manufacturer. Failure to maintain such conditions of entry, or the bankruptcy of the manufacturer, may result in the revocation, deregistration or suspension of the Manufacturers and Products Announcement with respect to such manufacturer and its approved vehicles.

According to the MIIT Admission Rules, to enter into the Manufacturers and Products Announcement, we must meet certain conditions, including, among others, having completed required formalities with and obtained approvals from the NDRC on our investment in our own pure electric vehicle manufacturing project, having capabilities in the design, development and manufacture of automotive products, after-sales service and product safety assurance. In addition, pursuant to the MIIT Admission Rules, in order for our vehicles to enter into the Manufacturers and Products Announcement, our vehicles must satisfy certain conditions, including, among others, meeting certain standards set out therein, meeting other safety and technical requirements specified by the MIIT and passing inspections conducted by a state-recognized testing institution. Once such conditions for manufacturer and vehicles are met and the application has been approved by the MIIT, the manufacturer becomes a qualified manufacturer and its vehicles are published in the Manufacturers and Products Announcement by the

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MIIT. Where any new energy vehicle manufacturer manufactures or sells any model of new energy vehicle without the prior approval of the competent authorities including being published in the Manufacturers and Products Announcement by the MIIT, it may be subject to penalties, including fines, forfeiture of any illegally manufactured and sold vehicles and spare parts and revocation of its business licenses.

### **Regulations on Compulsory Product Certification**

Under the *Administrative Regulations on Compulsory Product Certification* which was promulgated by the General Administration of Quality Supervision, Inspection and Quarantine, or the QSIQ, on July 3, 2009 and became effective on September 1, 2009 and the *List of the First Batch of Products Subject to Compulsory Product Certification* which was promulgated by the QSIQ in association with the State Certification and Accreditation Administration Committee on December 3, 2001 and became effective on May 1, 2002, the QSIQ is responsible for the regulation and quality certification of automobiles. Automobiles and parts and components must not be sold, exported or used in operating activities until they are certified by designated certification authorities of the PRC as qualified products and granted certification marks.

### **Regulations on Automobile Investment Projects**

On June 4, 2017, the NDRC and the MIIT issued the *Guiding Opinions on Improving the Management of Automobile Investment Projects* which became effective on the same day. Pursuant to such guiding opinions, when applying for pure electric passenger vehicle enterprise investment projects (including existing commercial vehicle enterprises applying for the manufacturing of pure electric passenger vehicles), applicants must comply with the requirements specified in the New Electric Passenger Vehicle Enterprise Regulations.

### **Regulations on Electric Vehicle Charging Infrastructure**

Pursuant to the *Guidance Opinions of the General Office of the State Council on Accelerating the Promotion and Application of the New Energy Vehicles* (effective on July 14, 2014), the *Guidance Opinions of the General Office of the State Council on Accelerating the Development of Charging Infrastructures of the Electric Vehicle* (effective on September 29, 2015) and the *Guidance on the Development of Electric Vehicle Charging Infrastructure (2015-2020)* (effective on October 9, 2015), the PRC government encourages the construction and development of charging infrastructure for electric vehicles such as charging stations and battery swap stations, and only centralized charging and battery replacement power stations are required to obtain approvals for construction, permits from the relevant authorities. The *Circular on Accelerating the Development of Electrical Vehicle Charging Infrastructures in Residential Areas* promulgated on July 25, 2016 further provides that the operators of electrical vehicle charging and battery swap infrastructure are required to be covered under liability insurance policies to protect the purchasers of electric vehicles, covering the safety of electric vehicle charging infrastructure.

### **Regulations on Automobile Sales**

Pursuant to the *Administrative Measures on Automobile Sales* promulgated by the Ministry of Commerce, or the MOFCOM on April 5, 2017, which became effective on July 1, 2017, automobile suppliers and dealers are required to file with relevant authorities through the information system for the national automobile circulation operated by the competent commerce department within 90 days after the receipt of a business license. Where there is any change to the information concerned, automobile suppliers and dealers must update such information within 30 days after such change.

### **Regulations on the Recall of Defective Automobiles**

On October 22, 2012, the State Council promulgated the *Administrative Provisions on Defective Automotive Product Recalls*, which became effective on January 1, 2013. The product quality supervision department of the



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State Council is responsible for the supervision and administration of recalls of defective automotive products nationwide. Pursuant to the administrative provisions, manufacturers of automobile products are required to take measures to eliminate defects in products they sell. A manufacturer must recall all defective automobile products. Failure to recall such products may result in an order to recall the defective products from the quality supervisory authority of the State Council. If any operator conducting sales, leasing, or repair of vehicles discovers any defect in automobile products, it must cease to sell, lease or use the defective products and must assist manufacturers in the recall of those products. Manufacturers must recall their products through publicly available channels and publicly announce the defects. Manufacturers must take measures to eliminate or cure defects, including rectification, identification, modification, replacement or return of the products. Manufacturers that attempt to conceal defects or do not recall defective automobile products in accordance with relevant regulations will be subject to penalties, including fines, forfeiture of any income earned in violation of law and revocation of licenses.

Pursuant to the *Implementation Rules on the Administrative Provisions on Defective Automotive Product Recalls* which was promulgated by the QSIQ on November 27, 2015 and became effective on January 1, 2016, if a manufacturer is aware of any potential defect in its automobiles, it must investigate in a timely manner and report the results of such investigation to the QSIQ. Where any defect is found during the investigations, the manufacturer must cease to manufacture, sell, or import the relevant automobile products and recall such products in accordance with applicable laws and regulations.

### **Regulations on Product Liability**

Pursuant to the Product Quality Law of PRC promulgated on February 22, 1993 and amended on July 8, 2000 and August 27, 2009, it is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

### **Favorable Government Policies Relating to New Energy Vehicles in the PRC**

#### *Government Subsidies for Purchasers of New Energy Vehicles*

On April 22, 2015, the Ministry of Finance, or the MOF, the Ministry of Science and Technology, or the MOST, the MIIT and the NDRC jointly issued the *Circular on the Financial Support Policies on the Promotion and Application of New Energy Vehicles in 2016-2020*, or the Financial Support Circular, which took effect on the same day. The Financial Support Circular provides that those who purchase new energy vehicles specified in the *Catalogue of Recommended New Energy Vehicle Models for Promotion and Application* by the MIIT may obtain subsidies from the PRC national government. Pursuant to the Financial Support Circular, a purchaser may purchase a new energy vehicle from a seller by paying the original price minus the subsidy amount, and the seller may obtain the subsidy amount from the government after such new energy vehicle is sold to the purchaser. Our volume manufactured vehicle, the ES8, is eligible for such subsidies. The Financial Support Circular also provided a preliminary phase-out schedule for the provision of subsidies.

On December 29, 2016, the MOF, the MOST, the MIIT and the NDRC jointly issued the *Circular on Adjusting the Subsidy Policy for the Promotion and Application of New Energy Vehicles*, or the Circular on Adjusting the Subsidy Policy, which took effect on January 1, 2017, to adjust the existing subsidy standards for purchasers of new energy vehicles. The Circular on Adjusting the Subsidy Policy capped the local subsidies at 50% of the national subsidy amount, and further specified that national subsidies for purchasers purchasing

certain new energy vehicles (except for fuel cell vehicles) from 2019 to 2020 will be reduced by 20% as compared to 2017 subsidy standards.

The *Circular on Adjusting and Improving the Subsidy Policies for the Promotion the Application of New Energy Vehicles*, which was jointly promulgated by the MOF, the MOST, the MIIT and the NDRC on February 12, 2018 and became effective on the same day further adjusted and improved the existing national subsidy standards for purchasers of new energy vehicles.

Following the issuance of the foregoing circulars and other relevant regulations, a number of local governments, including, among others, Shanghai, Beijing, Guangzhou, Shenzhen, Chengdu, Nanjing, Hangzhou and Wuhan, have issued policies on local subsidies for purchasers of new energy vehicles, and have adjusted the local subsidy standards annually according to the national subsidy standard. For example, on January 31, 2018, the Development and Reform Commission of Shanghai together with other six local authorities jointly issued the *Implementation Rules on Encouraging the Purchase and Use of New Energy Vehicles in Shanghai*, pursuant to which local governments may provide local subsidies equal to 50% of the national subsidy amount to the purchaser of qualified pure electric passenger vehicles. Therefore, purchasers of the ES8 in the foregoing cities may benefit from national subsidies and are also expected to be able to obtain local subsidies after we complete certain application formalities with respect to the ES8.

#### *Exemption of Vehicle Purchase Tax*

On December 26, 2017, the MOF, the State Administration of Taxation, or the SAT, the MIIT and the MOST jointly issued the *Announcement on Exemption of Vehicle Purchase Tax for New Energy Vehicle*, or the *Announcement on Exemption of Vehicle Purchase Tax*, pursuant to which, from January 1, 2018 to December 31, 2020, the vehicle purchase tax which is applicable for ICE vehicles is not imposed on purchases of qualified new energy vehicles listed in the *Catalogue of New Energy Vehicle Models Exempt from Vehicle Purchase Tax*, or the *Catalogue*, issued by the MIIT. Such announcement provides that the policy on exemption of vehicle purchase tax is also applicable to new energy vehicles added to the *Catalogue* prior to December 31, 2017. The ES8 was added into the *Catalogue* (15th batch) on December 19, 2017, so purchasers of ES8 may enjoy such tax exemption.

#### *Non-imposition of Vehicle and Vessel Tax*

The *Preferential Vehicle and Vessel Tax Policies for Energy-saving and New Energy Vehicles and Vessels*, which was jointly promulgated by the MOF, the SAT and MIIT on May 7, 2015, clarifies that pure electric passenger vehicles are not subject to vehicle and vessel tax.

#### *New Energy Vehicle License Plate*

In recent years, in order to control the number of motor vehicles on the road, certain local governments have issued restrictions on the issuance of vehicle license plates. These restrictions generally do not apply to the issuance of license plates for new energy vehicles, which makes it easier for purchasers of new energy vehicles to obtain automobile license plates. For example, pursuant to the *Implementation Measures on Encouraging Purchase and Use of New Energy Vehicles in Shanghai*, local authorities will issue new automobile license plates to qualified purchasers of new energy vehicles without requiring such qualified purchasers to go through certain license-plate bidding processes and to pay license-plate purchase fees as compared with purchasers of ICE vehicles.

#### *Policies Relating to Incentives for Electric Vehicle Charging Infrastructure*

On January 11, 2016, the MOF, the MOST, the MIIT, the NDRC and the National Energy Administration, or the NEA, jointly promulgated the *Circular on Incentive Policies on the Charging Infrastructures of New*

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*Energy Vehicles and Strengthening the Promotion and Application of New Energy Vehicles during the 13th Five-year Plan Period*, which became effective on January 1, 2016. Pursuant to such circular, the central finance department is expected to provide certain local governments with funds and subsidies for the construction and operation of charging facilities and other relevant charging infrastructure.

Certain local governments have also implemented incentive policies for the construction and operation of charging infrastructure. For example, pursuant to the *Supporting Measures on Encouraging the Development of Charging Infrastructures of the Electric Vehicles in Shanghai*, builders of certain non-self-use charging infrastructure may be eligible for subsidies for up to 30% of its investment cost, and the operator of certain non-self-use charging infrastructure may be eligible for subsidies calculated based on electricity output.

All the above incentives are expected to facilitate acceleration of development of public charging infrastructure, which will consequently offers more accessible and convenient EV charging solutions to purchasers of electric vehicles.

### *Incentives in Certain Target Cities*

Government incentives to purchase electric vehicles exist at both the national and local level in China. The table below sets forth a summary of preferential policies in our first ten target cities.

	Beijing	Shanghai	Guangzhou	Shenzhen	Chengdu	Nanjing	Hangzhou	Wuhan
Restrictions on ICE vehicles purchases	✓	✓	✓	✓			✓	
Quantity of NEV car plates	60,000 <sup>(1)</sup>	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Subsidies and Preferential Policies to NEVs	All NEVs have specific pool of license-plate lottery and have no traffic restrictions	Energy Displacement ≤1.6L: RMB24,000 national subsidy and RMB8,000 local subsidy	N/A	Subsidies for NEV owners on bridge tolls, charging expenses, and the cost of designing and installing charging facility for own use.	N/A	N/A	Subsidies for public charging facilities at 25% of total investment in 2017 and 2018	Preferential electricity rate for NEV charging facilities, peak time rates and off-peak time rates are applied

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	Beijing	Shanghai	Guangzhou	Shenzhen	Chengdu	Nanjing	Hangzhou	Wuhan
Favorable Policies on driving restrictions to NEVs	No restriction on BEVs. ICE vehicles, PHEVs and HEVs are restricted by the last digit of the car plate on workdays	No restriction on NEVs. Non-local ICE vehicles are not allowed to pass through main highways(2) from 7am to 10am, and from 3pm to 8pm on workdays	No restriction on NEVs. Non-local ICE vehicles are not permitted to drive in the city center for over four consecutive days, and shall wait four days before entering the city center again	Non-local ICE trucks are not allowed to enter the city from 7am to 10am and from 3pm to 8pm on workdays. No restriction on non-local NEV trucks	No restriction on NEVs. ICE vehicles are not permitted to drive in the city center from 7:30am to 8pm on workdays by the last digit of the car plate	No restriction on NEVs. Non-local ICE light vehicles are not allowed to pass through the tunnel of Yangtze River	No restrictions on NEVs. ICE vehicles are restricted by the last digit of the car plate from 7am to 9am and from 4:30pm to 6:30pm on workdays	No restriction on NEVs. ICE vehicles are restricted on designated bridges and tunnels from 7am to 10pm everyday by odd / even number of the car license plate
Incentives for BEV <sup>(3)</sup>	Incentives for BEVs include national subsidy and local subsidy: 150km≤R<200km: RMB15,000 national subsidy 200km≤R<250km: RMB24,000 national subsidy 250km≤R<300km: RMB34,000 national subsidy 300km≤R<400km: RMB45,000 national subsidy R□400km: RMB50,000 national subsidy Local subsidy≤0.5*national subsidy * R represents the driving range of NEVs							

### Notes:

- (1) The number of NEV licenses issued by the Beijing local government for 2018 is 60,000 while total new car licenses in Beijing decreased from 150,000 in 2017 to 100,000 in 2018.
- (2) Including nine highways, two bridges and one tunnel.
- (3) These incentives took effect on June 12, 2018.

### Parallel Credits Policy on Vehicle Manufacturers and Importers

On September 27, 2017, the MIIT, the MOF, the MOFCOM, the General Administration of Customs of PRC and the General Administration of Quality Supervision, Inspection and Quarantine of the PRC jointly promulgated the *Measure for the Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises*, or the Parallel Credits Measure, which took effect on April 1, 2018. Under the Parallel Credits Measure, among other requirements, each of the vehicle manufacturers and vehicle importers above a certain scale is required to maintain its new energy vehicles credits, or the NEV credits, above zero, regardless of whether NEVs or ICE vehicles are manufactured or imported by it, and NEV credits can be earned only by manufacturing or importing NEVs. Therefore, NEV manufacturers will enjoy preferences in obtaining and calculating of NEV credits.

NEV credits equal to the aggregate actual scores of a vehicle manufacturer or a vehicle importer minus its aggregate targeted scores. The targeted scores shall be the product obtained by multiplying annual production/import volume of fuel energy vehicles of a vehicle manufacturer or a vehicle importer by the NEV credit ratio set by MIIT, while the actual scores are to be the product obtained by multiplying the score of each new energy vehicle type by respective new energy vehicle production/import volume. Excess positive NEV credits are tradable and may be sold to other enterprises through a credit management system established by the MIIT. Negative NEV credits can be offset by purchasing excess positive NEV credits from other manufacturers or

importers. As a manufacturer that will only manufacture new energy vehicles, after we obtain our own manufacturing license, we will be able to earn NEV credits by manufacturing new energy vehicles through our future manufacturing plant on each vehicle manufactured, and may sell our excess positive NEV credits to other vehicle manufacturers or importers.

### **Regulations on Value-added Telecommunications Services**

In 2000, the PRC State Council promulgated the *Telecommunications Regulations of the PRC*, or the Telecommunications Regulations, which was most recently amended in February 2016 and provides a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize all telecommunications businesses in China as either basic or value-added. Value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructure. Pursuant to the *Classified Catalogue of Telecommunications Services*, an attachment to the Telecommunications Regulations, which was most recently updated in December 2015 by MIIT, internet information services, or ICP services, are classified as value-added telecommunications services. Under the Telecommunications Regulations and relevant administrative measures, commercial operators of value-added telecommunications services must first obtain a license for conducting Internet content provision services, or an ICP license, from the MIIT or its provincial level counterparts. Otherwise, such operator might be subject to sanctions including corrective orders and warnings, imposition of fines and confiscation of illegal gains and, in the case of significant infringement, orders to close the website.

Pursuant to the *Administrative Measures on Internet Information Services*, promulgated by the State Council in 2000 and amended in 2011, “internet information services” refer to the provision of information through the internet to online users, and are divided into “commercial internet information services” and “non-commercial internet information services”. A commercial ICP service operator must obtain an ICP license before engaging in any commercial ICP service within China, while the ICP license is not required if the operator will only provide internet information on a non-commercial basis.

In addition to the regulations and measures above, the provision of commercial internet information services on mobile internet applications are regulated by the *Administrative Provisions on Information Services of Mobile Internet Applications*, promulgated by the State Internet Information Office in June 2016. Information service providers of mobile internet applications are subject to these provisions, including acquiring relevant qualifications and being responsible for management of information security.

### **Regulations on Consumer Rights Protection**

Our business is subject to a variety of consumer protection laws, including the *PRC Consumer Rights and Interests Protection Law*, as amended and effective as of March 15, 2014, which imposes stringent requirements and obligations on business operators. Failure to comply with these consumer protection laws could subject us to administrative sanctions, such as the issuance of a warning, confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

### **Regulations on Internet Information Security and Privacy Protection**

In November 2016, the Standing Committee of the National People’s Congress, or the SCNPC, promulgated the *Cyber Security Law of the PRC*, or the Cyber Security Law, which became effective on June 1, 2017. The Cyber Security Law requires that a network operator, which includes, among others, internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as we are operating website and mobile application and providing certain internet services mainly through our mobile application. The Cyber Security

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Law further requires internet information service providers to formulate contingency plans for network security incidents, report to the competent departments immediately upon the occurrence of any incident endangering cyber security and take corresponding remedial measures.

Internet information service providers are also required to maintain the integrity, confidentiality and availability of network data. The Cyber Security Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal data protection, such as the requirements on the collection, use, processing, storage and disclosure of personal data, and internet information service providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged or lost. Any violation of the Cyber Security Law may subject the internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites or criminal liabilities.

### **Regulations on Land and the Development of Construction Projects**

#### *Regulations on Land Grants*

Under the *Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-owned Urban Land*, promulgated by the State Council on May 19, 1990, a system of assignment and transfer of the right to use state-owned land was adopted. A land user must pay land premiums to the state as consideration for the assignment of the right to use a land site within a certain term, and the land user who obtained the right to use the land may transfer, lease out, mortgage or otherwise commercially exploit the land within the term of use. Under the *Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-owned Urban Land and the Law of the PRC on Urban Real Estate Administration*, the local land administration authority may enter into an assignment contract with the land user for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights.

#### *Regulations on Planning of a Construction Project*

Pursuant to the *Regulations on Planning Administration regarding Assignment and Transfer of the Rights to Use of the State-Owned Land in Urban Area* promulgated by the Ministry of Construction in December, 1992 and amended in January, 2011, a construction land planning permit shall be obtained from the municipal planning authority with respect to the planning and use of land. According to the *Urban and Rural Planning Law of PRC* promulgated by the SCNPC, on October 28, 2007 and amended on April 24, 2015, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline or other engineering project within an urban or rural planning area.

After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction work commencement permit from the construction authority under the local people's government at the county level or above in accordance with the *Administrative Provisions on Construction Permit of Construction Projects* promulgated by the Ministry of Housing and Urban-Rural Development, or the MOHURD on June 25, 2014 and implemented on October 25, 2014.

Pursuant to the *Administrative Measures for Reporting Details Regarding Acceptance Examination upon Completion of Buildings and Municipal Infrastructure* promulgated by the Ministry of Construction on April 4, 2000 and amended on October 19, 2009 and the *Provisions on Acceptance Examination upon Completion of Buildings and Municipal Infrastructure* promulgated and implemented by the MOHURD on December 2, 2013, upon the completion of a construction project, the construction enterprise must submit an application to the competent department in the people's government at or above county level where the project is located, for

examination upon completion of building and for filing purpose; and to obtain the filing form for acceptance and examination upon completion of construction project.

## **Regulations on Environmental Protection and Work Safety**

### *Regulations on Environmental Protection*

Pursuant to the *Environmental Protection Law of the PRC* promulgated by the SCNPC, on December 26, 1989, amended on April, 24, 2014 and effective on January 1, 2015, any entity which discharges or will discharge pollutants during course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise vibrations, electromagnetic radiation and other hazards produced during such activities.

Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the *Environmental Protection Law*. Such penalties include warnings, fines, orders to rectify within the prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. Any person or entity that pollutes the environment resulting in damage could also be held liable under the *Tort Law of the PRC*. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

### *Regulations on Work Safety*

Under relevant construction safety laws and regulations, including the *Work Safety Law of the PRC* which was promulgated by the SCNPC on June 29, 2002, amended on August 27, 2009, August 31, 2014, and effective as of December 1, 2014, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide the employees with protective equipment that meets the national standards or industrial standards. Automobile and components manufacturers are subject to the aforementioned environment protection and work safety requirements.

## **Regulations on Fire Control**

Pursuant to the *Fire Safety Law of the PRC* promulgated by the SCNPC on April 29, 1998, amended on October 28, 2008 and which became effective on May 1, 2009 and the *Provisions on Supervision and Administration of Fire Protection of Construction Projects* promulgated by the Ministry of Public Security of the PRC on April 30, 2009, implemented on May 1, 2009 and later amended on July 17, 2012, which became effective on November 1, 2012, the construction entity of a large-scale crowd venue (including the construction of a manufacturing factory that is over 2,500 square meters) and other special construction projects must apply for fire prevention design review with fire control authorities, and complete fire assessment inspection and acceptance procedures after the construction project is completed. The construction entity of other construction projects must complete the filing for fire prevention design and the fire safety completion inspection and acceptance procedures within seven business days after obtaining the construction work permit and passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such venue is put into use, or fails to conform to the fire safety requirements after such inspection, it shall be subject to (i) orders to suspend the construction of projects, use of such projects or operation of relevant business; and (ii) a fine ranging between RMB30,000 and RMB300,000.

## **Regulations on Intellectual Property Rights**

### *Patent law*

According to the *Patent Law of the PRC* (Revised in 2008), the State Intellectual Property Office is responsible for administering patent law in the PRC. The patent administration departments of provincial, autonomous region or municipal governments are responsible for administering patent law within their respective jurisdictions. The Chinese patent system adopts a first-to-file principle, which means that when more than one person files different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent of the invention. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. A patent is valid for twenty years in the case of an invention and ten years in the case of utility models and designs.

### *Regulations on copyright*

The *Copyright Law of the PRC*, or the Copyright Law, which took effect on June 1, 1991 and was amended in 2001 and in 2010, provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. The Copyright Law as revised in 2010 extends copyright protection to Internet activities, products disseminated over the Internet and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center, or the CPCC. According to the Copyright Law, an infringer of the copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners and compensating the loss of copyright owner. Infringers of copyright may also subject to fines and/or administrative or criminal liabilities in severe situations.

Pursuant to the *Computer Software Copyright Protection Regulations* promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. The software copyright owner may authorize others to exercise that copyright, and is entitled to receive remuneration.

### *Trademark law*

Trademarks are protected by the *Trademark Law of the PRC* which was adopted on August 23, 1982 and subsequently amended in 1993, 2001 and 2013 respectively as well as by the *Implementation Regulations of the PRC Trademark Law* adopted by the State Council in 2002 and as most recently amended on April 29, 2014. The Trademark Office under the State Administration for Industry and Commerce, handles trademark registrations. The Trademark Office grants a ten-year term to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner. A trademark registrant may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for its record. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration. If a trademark applied for is identical or similar to another trademark which has already been registered or subject to a preliminary examination and approval for use on the same or similar kinds of products or services, such trademark application may be rejected. Any person applying for the registration of a trademark may not injure existing trademark rights first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.



#### *Regulations on domain names*

The MIIT promulgated the *Measures on Administration of Internet Domain Names*, or the Domain Name Measures, on August 24, 2017, which took effect on November 1, 2017 and replaced the *Administrative Measures on China Internet Domain Name* promulgated by MIIT on November 5, 2004. According to the Domain Name Measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide the true, accurate and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

#### **Regulations on Foreign Investment in China**

On June 28, 2017, the MOFCOM, and the NDRC jointly promulgated the *Guidance Catalogue of Industries for Foreign Investment (Revised in 2017)*, or the Catalogue, which came into effect on July 28, 2017. On June 28, 2018, the MOFCOM and NDRC further promulgated the Special Administrative Measures for Market Access of Foreign Investment (Negative List), or the Negative List, to amend the Catalogue. The Catalogue (as amended by the Negative List) lists the industries and economic activities in which foreign investment in the PRC is encouraged, restricted or prohibited. Any industry not listed in the Catalogue is a permitted industry. Pursuant to the Catalogue (as amended by the Negative List), the production and sale of battery bags and packs as well as the manufacture of the NEVs fall within the permitted catalogue. However, the Catalogue also provides that foreign investors shall hold no more than 50% of the equity interest in a service provider operating certain value-added telecommunications services (other than for e-commerce).

The establishment, operation and management of corporate entities in the PRC is governed by the *PRC Company Law*, which was initially promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005 and December 28, 2013. The latest amended *PRC Company Law* became effective on March 1, 2014. The *PRC Company Law* generally governs two types of companies—limited liability companies and joint stock limited companies. The *PRC Company Law* shall also apply to foreign-invested companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail. The establishment procedures, approval or record-filing procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are regulated by the *Wholly Foreign-owned Enterprise Law of the PRC*, or the WFOE Law, promulgated on April 12, 1986 and amended on October 31, 2000 and September 3, 2016, and the *Rules for the Implementation of the WFOE Law*, promulgated on December 12, 1990 and amended on April 12, 2001 and February 19, 2014. According to the amendments to the WFOE law in 2016, for wholly foreign-owned enterprise which the special entry management system does not apply to, its establishment, operation duration and extension, separation, merger or other major changes shall be reported for record.

Pursuant to the *Provisional Administrative Measures for Record-filing Administration of the Establishment and Change of Foreign-invested Enterprises*, or the Provisional Measures, promulgated by MOFCOM on October 8, 2016 (as amended), establishment and modifications of foreign invested enterprises which are not subject to the approval under the special entry management measures shall be filed with the delegated commercial authorities.

#### **Regulations on Foreign Exchange**

##### *General administration of foreign exchange*

Under the *PRC Foreign Currency Administration Rules* promulgated on January 29, 1996 and most recently amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange of the PRC, or the SAFE and other relevant PRC government authorities, Renminbi is convertible into other

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currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local office.

Payments for transactions that take place within the PRC must be made in Renminbi. Unless otherwise approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

Pursuant to the *Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment*, or the SAFE Circular No. 59 promulgated by SAFE on November 19, 2012, which became effective on December 17, 2012 and was further amended on May 4, 2015, approval of SAFE is not required for opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments. The SAFE Circular No. 59 also simplified foreign exchange-related registration required for the foreign investors to acquire the equity interests of Chinese companies and further improve the administration on foreign exchange settlement for foreign-invested enterprises.

The *Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment*, or the SAFE Circular No. 13, effective from June 1, 2015, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to the SAFE Circular No. 13, the investors shall register with banks for direct domestic investment and direct overseas investment.

The *Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise*, or the SAFE Circular No. 19, which was promulgated by the SAFE on March 30, 2015 and became effective on June 1, 2015, provides that a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange administration has confirmed monetary capital contribution rights and interests (or for which the bank has registered the injection of the monetary capital contribution into the account). Pursuant to the SAFE Circular No.19, for the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capitals on a discretionary basis; a foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business; where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the invested enterprise must first go through domestic re-investment registration and open a corresponding account for foreign exchange settlement pending payment with the foreign exchange administration or the bank at the place where it is registered.

The *Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts*, or the SAFE Circular No. 16, which was promulgated by the SAFE and became effective on June 9, 2016, provides that enterprises registered in the PRC may also convert their foreign debts from foreign currency into Renminbi on self-discretionary basis. The SAFE Circular No. 16 also provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis, which applies to all enterprises registered in the PRC.

According to the Provisional Measures, the *Administrative Rules on the Company Registration*, which was promulgated by the State Council on June 24, 1994, became effective on July 1, 1994 and latest amended on

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February 6, 2016, and other laws and regulations governing the foreign invested enterprises and company registrations, the establishment of a foreign invested enterprise and any capital increase and other major changes in a foreign invested enterprise shall be registered with the SAMR or its local counterparts, and shall be filed via the foreign investment comprehensive administrative system, or the FICMIS if such foreign invested enterprise does not involve special access administrative measures prescribed by the PRC government.

Pursuant to the SAFE Circular No.13 and other laws and regulations relating to foreign exchange, when setting up a new foreign invested enterprise, the foreign invested enterprise shall register with the bank located at its registered place after obtaining the business license, and if there is any change in capital or other changes relating to the basic information of the foreign-invested enterprise, including without limitation any increase in its registered capital or total investment, the foreign invested enterprise must register such changes with the bank located at its registered place after obtaining the approval from or completing the filing with competent authorities. Pursuant to the relevant foreign exchange laws and regulations, the above-mentioned foreign exchange registration with the banks will typically take less than four weeks upon the acceptance of the registration application.

Based on the forgoing, if we intend to provide funding to our wholly foreign owned subsidiaries through capital injection at or after their establishment, we must register the establishment of and any follow-on capital increase in our wholly foreign owned subsidiaries with the SAMR or its local counterparts, file such via the FICMIS and register such with the local banks for the foreign exchange related matters.

### *Loans by the Foreign Companies to their PRC Subsidiaries*

A loan made by foreign investors as shareholders in a foreign invested enterprise is considered to be foreign debt in China and is regulated by various laws and regulations, including the *Regulation of the People's Republic of China on Foreign Exchange Administration*, the *Interim Provisions on the Management of Foreign Debts*, the *Statistical Monitoring of Foreign Debts Tentative Provisions*, the *Detailed Rules for the Implementation of Provisional Regulations on Statistics and Supervision of External Debt*, and the *Administrative Measures for Registration of Foreign Debts*. Under these rules and regulations, a shareholder loan in the form of foreign debt made to a PRC entity does not require the prior approval of SAFE. However, such foreign debt must be registered with and recorded by SAFE or its local branches within fifteen (15) business days after entering into the foreign debt contract. Pursuant to these rules and regulations, the balance of the foreign debts of a foreign invested enterprise shall not exceed the difference between the total investment and the registered capital of the foreign invested enterprise, or Total Investment and Registered Capital Balance.

Pursuant to the *Interim Provisions of the State Administration for Industry and Commerce on the Ratio of the Registered Capital to the Total Investment of a Sino-Foreign Equity Joint Venture Enterprise*, promulgated by SAMR on February 17, 1987 and effective on March 1, 1987, with respect to a sino-foreign equity joint venture, the registered capital shall be (i) no less than 7/10 of its total investment, if the total investment is US\$3 million or under US\$3 million; (ii) no less than 1/2 of its total investment, if the total investment is ranging from US\$3 million to US\$10 million (including US\$10 million), provided that the registered capital shall not be less than US\$2.1 million if the total investment is less than US\$4.2 million; (iii) no less than 2/5 of its total investment, if the total investment is ranging from US\$10 million to US\$30 million (including US\$30 million), provided that the registered capital shall not be less than US\$5 million if the total investment is less than US\$12.5 million; and (iv) no less than 1/3 of its total investment, if the total investment exceeds US\$30 million, provided that the registered capital shall not be less than US\$12 million if the total investment is less than US\$36 million.

On January 11, 2017, the People's Bank of China, or the PBOC promulgated the *Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing*, or the PBOC Notice No. 9. Pursuant to the PBOC Notice No. 9, within a transition period of one year from January 11, 2017, the foreign invested enterprises may adopt the currently valid foreign debt management

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mechanism, or Current Foreign Debt Mechanism, or the mechanism as provided in the PBOC Notice No. 9, or Notice No. 9 Foreign Debt Mechanism, at their own discretions. The PBOC Notice No. 9 provides that enterprises may conduct independent cross-border financing in RMB or foreign currencies as required. Pursuant to the PBOC Notice No. 9, the outstanding cross-border financing of an enterprise (the outstanding balance drawn, here and below) shall be calculated using a risk-weighted approach, or Risk-Weighted Approach, and shall not exceed the specified upper limit, namely: risk-weighted outstanding cross-border financing  $\leq$  the upper limit of risk-weighted outstanding cross-border financing. Risk-weighted outstanding cross-border financing =  $\Sigma$  outstanding amount of RMB and foreign currency denominated cross-border financing \* maturity risk conversion factor \* type risk conversion factor +  $\Sigma$  outstanding foreign currency denominated cross-border financing \* exchange rate risk conversion factor. Maturity risk conversion factor shall be 1 for medium- and long-term cross-border financing with a term of more than one year and 1.5 for short-term cross-border financing with a term of less than one year. Type risk conversion factor shall be 1 for on-balance-sheet financing and 1 for off-balance-sheet financing (contingent liabilities) for the time being. Exchange rate risk conversion factor shall be 0.5. The PBOC Notice No. 9 further provides that the upper limit of risk-weighted outstanding cross-border financing for enterprises shall be 200% of its net assets, or Net Asset Limits. Enterprises shall file with SAFE in its capital item information system after entering into the relevant cross-border financing contracts and prior to three business day before drawing any money from the foreign debts.

Based on the foregoing, if we provide funding to our wholly foreign owned subsidiaries through shareholder loans, the balance of such loans shall not exceed the Total Investment and Registered Capital Balance and we will need to register such loans with SAFE or its local branches in the event that the Current Foreign Debt Mechanism applies, or the balance of such loans shall be subject to the Risk-Weighted Approach and the Net Asset Limits and we will need to file the loans with SAFE in its information system in the event that the Notice No. 9 Mechanism applies. According to the PBOC Notice No. 9, after a transition period of one year from January 11, 2017, the PBOC and SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of the PBOC Notice No. 9. As of the date hereof, neither PBOC nor SAFE has promulgated and made public any further rules, regulations, notices or circulars in this regard. It is uncertain which mechanism will be adopted by PBOC and SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries.

### *Offshore investment*

Under the *Circular of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles*, or the SAFE Circular 37, issued by the SAFE and effective on July 4, 2014, PRC residents are required to register with the local SAFE branch prior to the establishment or control of an offshore special purpose vehicle, or SPV, which is defined as offshore enterprises directly established or indirectly controlled by PRC residents for offshore equity financing of the enterprise assets or interests they hold in China. An amendment to registration or subsequent filing with the local SAFE branch by such PRC resident is also required if there is any change in basic information of the offshore company or any material change with respect to the capital of the offshore company. At the same time, the SAFE has issued the *Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment* regarding the procedures for SAFE registration under the SAFE Circular 37, which became effective on July 4, 2014 as an attachment of Circular 37.

Under the relevant rules, failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

#### *Regulations on dividend distribution*

The principal laws and regulations regulating the dividend distribution of dividends by foreign-invested enterprises in the PRC include the *Company Law of the PRC*, as amended in 2004, 2005 and 2013, the *Wholly Foreign-owned Enterprise Law* promulgated in 1986 and amended in 2000 and 2016 and its implementation regulations promulgated in 1990 and subsequently amended in 2001 and 2014, the *Equity Joint Venture Law of the PRC* promulgated in 1979 and subsequently amended in 1990, 2001 and 2016 and its implementation regulations promulgated in 1983 and subsequently amended in 1986, 1987, 2001, 2011 and 2014, and the *Cooperative Joint Venture Law of the PRC* promulgated in 1988 and amended in 2000 and 2017 and its implementation regulations promulgated in 1995 and amended in 2014 and 2017. Under the current regulatory regime in the PRC, foreign-invested enterprises in the PRC may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside as statutory reserve funds at least 10% of its after-tax profit, until the cumulative amount of such reserve funds reaches 50% of its registered capital unless laws regarding foreign investment provide otherwise. A PRC company shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

#### **Regulations on Taxation**

##### *Enterprise Income Tax*

On March 16, 2007, the SCNPC promulgated the *Enterprise Income Tax Law of the PRC* which was amended on February 24, 2017 and on December 6, 2007, the State Council enacted the *Regulations for the Implementation of the Enterprise Income Tax Law*, or collectively, the EIT Law. The EIT Law came into effect on January 1, 2008. Under the EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

##### *Value-added Tax*

The *Provisional Regulations of the PRC on Value-added Tax* were promulgated by the State Council on December 13, 1993 and came into effect on January 1, 1994 which were subsequently amended on November 10, 2008 and came into effect on January 1, 2009 and most recently amended on November 19, 2017. The *Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax* (Revised in 2011) was promulgated by the MOF on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, or collectively, VAT Law. On November 19, 2017, the State Council promulgated the *Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax*, or the Order 691. According to the VAT Law and the Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of VAT. The VAT tax rates generally applicable are simplified as 16%, 10%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

### *Dividend Withholding Tax*

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to an *Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes*, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the *Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties*, or the SAT Circular 81, issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretions, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the *Circular on Several Questions regarding the "Beneficial Owner" in Tax Treaties*, which was issued on February 3, 2018 by the SAT and will take effect on April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the *Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements*.

### *Tax on Indirect Transfer*

On February 3, 2015, the SAT issued the *Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises*, or Circular 7. Pursuant to Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises, may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include, inter alia, whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income is mainly derived from China; and whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure. According to the Circular 7, where the payer fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. The Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the SAT issued the *Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax*, or SAT Circular 37, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain

uncertainties as to the interpretation and application of the SAT Circular 7. The SAT Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

## **Regulations on Employment and Social Welfare**

### *Labor Contract Law*

The *Labor Contract Law of the PRC*, or the Labor Contract Law, which was promulgated on January 1, 2008 and amended on December 28, 2012, is primarily aimed at regulating rights and obligations of employer and employee relationships, including the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between employers and the employees. Employers are prohibited from forcing employees to work above certain time limit and employers shall pay employees for overtime work in accordance to national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner.

### *Interim Provisions on Labor Dispatch*

Pursuant to the *Interim Provisions on Labor Dispatch* promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014, dispatched workers are entitled to equal pay with fulltime employees for equal work. Employers are allowed to use dispatched workers for temporary, auxiliary or substitutive positions, and the number of dispatched workers may not exceed 10% of the total number of employees.

### *Social Insurance and Housing Fund*

As required under the *Regulation of Insurance for Labor Injury* implemented on January 1, 2004 and amended in 2010, the *Provisional Measures for Maternity Insurance of Employees of Corporations* implemented on January 1, 1995, the *Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council* issued on July 16, 1997, the *Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council* promulgated on December 14, 1998, the *Unemployment Insurance Measures* promulgated on January 22, 1999 and the *Social Insurance Law of the PRC* implemented on July 1, 2011, employers are required to provide their employees in the PRC with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be order to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

In accordance with the *Regulations on the Management of Housing Fund* which was promulgated by the State Council in 1999 and amended in 2002, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employer and employee are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. See "*Risk Factors—Risks Related to Doing Business in China—Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.*"

### *Employee Stock Incentive Plan*

Pursuant to the *Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company*, or Circular 7, which was issued by the SAFE

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on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of an publicly-listed overseas company and who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year, subject to a few exceptions, are required to register with SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the SAT has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock option or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

### **M&A Rules and Overseas Listing**

On August 8, 2006, six PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, promulgated the *Rules on Acquisition of Domestic Enterprises by Foreign Investors*, or the M&A Rules, governing the mergers and acquisitions of domestic enterprises by foreign investors that became effective on September 8, 2006 and was revised on June 22, 2009. The M&A Rules, among other things, requires that if an overseas company established or controlled by PRC companies or individuals, or PRC Citizens, intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC Citizens, such acquisition must be submitted to the MOFCOM for approval. The M&A Rules also requires that an offshore special vehicle, or a special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by the PRC companies or individuals, shall obtain the approval of the CSRC prior to overseas listing and trading of such special purpose vehicle's securities on an overseas stock exchange.



## MANAGEMENT

### Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Bin Li	44	Chairman and Chief Executive Officer
Lihong Qin	45	Director and President
Louis T. Hsieh	53	Chief Financial Officer
Hsien Tsong Cheng	59	Executive Vice President
Padmasree Warrior	57	Director and Chief Development Officer
Xin Zhou	48	Vice President
Dongning Wang	46	Vice President
Feng Shen	54	Vice President
Tian Cheng	36	Director
Xiang Li	36	Director
Liang Li	46	Director
Hai Wu	49	Director
Yaqin Zhang	52	Director
Xiangping Zhong	42	Director
Zhaohui Li	42	Director
Denny Ting Bun Lee*	50	Independent Director Appointee
James Gordon Mitchell*	44	Director Appointee

\* Mr. Lee and Mr. Mitchell have accepted our appointment to be directors of our company, both effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

*Mr. Bin Li* is our founder and has served as chairman of the board since our inception and our chief executive officer since January 2018. Mr. Li currently also serves as chairman of the board of directors at Bitauto Holdings Limited, an NYSE-listed automobile service company and a leading automobile service provider in China. In 2000, Mr. Li co-founded Beijing Bitauto E-Commerce Co., Ltd. and served as its director and president until 2006. In 2002, Mr. Li co-founded Beijing C&I Advertising Company Limited and has served as its chairman of the board of directors and chief executive officer since its inception. In addition, Mr. Li currently serves as vice-chairman of China Automobile Dealers Association, or CADA, and was recognized by CADA in 2008 as one of the top 10 most influential and distinguished people in China's automobile dealer industry in the past 20 years. Mr. Li received his bachelor's degree in sociology from Peking University where he minored in Law.

*Mr. Lihong Qin* is our co-founder and has served as our director and our president since our inception. Prior to joining us, Mr. Qin served as chief marketing officer and executive director at Longfor Properties Co., Ltd., a leading company involved in property development and investment in China, from 2008 to 2014. He also served as deputy general manager at Anhui Chery Automobile Sales and Service Company from 2005 to 2008, as senior consultant and project manager at Roland Berger Strategy Consultants from 2003 to 2005, and as assistant brand manager at the Marketing Department of Procter & Gamble (Guangzhou) Ltd. from 2001 to 2003. Mr. Qin received his bachelor's degree and a master's degree in law from Peking University in 1996 and 1999 and a master's degree in public policy from Harvard University in 2001.

*Mr. Louis T. Hsieh* has served as our Chief Financial Officer since May 2017. Mr. Hsieh also serves as a non-executive director at New Oriental Education and Technology Group, or New Oriental, a NYSE-listed company providing private educational services in China. Mr. Hsieh joined New Oriental in 2005 and served as chief financial officer from 2005 to 2015, as President from 2008 to 2016, and director since 2007. He is also an independent director and chairman of audit committee for each of JD.com, Inc., China's largest direct sales

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internet company; YUM China Holdings, a NYSE-listed restaurant company operating KFC, Pizza Hut, Little Sheep Hot Pot, Taco Bell in China; and from 2016 to 2017 at Nord Anglia Education, Inc., a NYSE-listed education company, which was taken private in July 2017. Prior to joining New Oriental, Mr. Hsieh held senior executive positions in private equity and investment banking with UBS Capital (Managing Director and Asia Tech/Media/Telecom head), JP Morgan (vice president) and Credit Suisse, and served as a corporate and securities law attorney at White & Case LLP. Mr. Hsieh received a bachelor's degree in industrial engineering and engineering management from Stanford University, a master's degree in business administration from the Harvard Business School, and a juris doctor degree from the University of California at Berkeley.

*Mr. Hsien Tsong Cheng* is our co-founder and has served as our executive vice president and chief executive officer of XPT since July 2015. Prior to joining us, Mr. Cheng served as chairman and chief executive officer at Magneti Marelli China from January 2013 to July 2015. Mr. Cheng served as chairman of Fiat Automotive Finance Co., Ltd. and chairman and chief executive officer of FIAT (China) Business Co., Ltd. from June 2014 to July 2015. Prior to that, Mr. Cheng served as general manager of GAC Fiat Automobiles Co., Ltd. from July 2010 to March 2013. Prior to Fiat Chrysler Automotive, Mr. Cheng was a 26-year veteran in Ford Motor Company and served as the vice president for Global Purchasing based in China from 1997 to 2006, overseeing Ford Motor's regional supply chain and joint ventures sourcing for ChangAn Ford Motor Ltd., Jiangling Motor Ltd. and Ford Lioho Taiwan. Mr. Cheng received his bachelor's degree in mechanical engineering from National Cheng Kung University in Taiwan in 1980.

*Ms. Padmasree Warrior* has served as our chief development officer and chief executive officer of NIO USA, Inc. since December 2015, and our director since March 2016. She has also served as a director of Microsoft Corporation since December 2015 and Spotify Ltd. since June 2017. Prior to joining us, Ms. Warrior worked as chief technology and strategy officer at Cisco Systems, Inc. from 2008 to 2015. In addition, she held various positions at Motorola, Inc. from 1984 to 2007, most recently as executive vice president and chief technology officer from 2002 to 2007. Ms. Warrior received her bachelor's degree in chemical engineering from Indian Institute of Technology in 1982 and master's degree in chemical engineering from Cornell University in 1984.

*Mr. Xin Zhou* has served as our vice president since April 2015. Mr. Zhou served as executive director at Qoros Automotive Co., Ltd. from September 2009 to April 2015. Prior to that, he was the engagement manager of McKinsey & Co. from April 2007 to September 2009, and executive director of Lear Corp. from May 1998 to April 2007. Mr. Zhou received a bachelor's degree in applied science from Fudan University in 1992 and a master's degree in business administration from China Europe International Business School in 2008.

*Mr. Dongning Wang* has served as our vice president since September 2015. Prior to joining us, Mr. Wang served as the executive vice president and chief financial officer at Jaguar Land Rover Greater China. Prior to joining Jaguar Land Rover Greater China, he held various senior financial management positions in Daimler Chrysler U.S. headquarters and Asia Pacific region for a total of seven years. From 1995 to 1999, he served as a senior project manager at State Power Corporation of China. Mr. Wang received a bachelor's degree in engineering mechanics from Tsinghua University in 1995 and a master's degree in business administration from Wharton Business School in 2002.

*Mr. Feng Shen* has served as our vice president and chairman of quality management committee since December 2017. Mr. Shen worked in several senior executive management roles, such as president of Polestar China and global chief technology officer at Polestar, president at Volvo Cars China R&D Company, vice president of Volvo Cars Asia-Pacific Operation, and chairman at China-Sweden Traffic Safety Research Center from 2010 to 2017. Prior to that, Mr. Shen worked as a powertrain manager, Six-Sigma Master Black Belt and technical expert at Ford Motor Company from 1999 to 2010 in the United States and China. Mr. Shen received a bachelor's degree in mathematics and mechanics and a master's degree in applied mechanics from Fudan University in 1984 and 1987, respectively. He also received a doctoral degree in mechanical engineering from Auburn University in 1996.

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*Mr. Tian Cheng* has served as our director since March 2015. Mr. Cheng is a partner at Shunwei Capital and specializes in evaluating investment opportunities and investing in the technology, media and telecom industry. Prior to joining Shunwei Capital, he served as an associate director of the investment group at Temasek Holdings (Private) Limited from July 2008 to June 2014. Mr. Cheng received a bachelor's degree in business administration and a master's degree in management from Fudan University in 2005 and 2008, respectively.

*Mr. Xiang Li* has served as our director since May 2015. Mr. Li serves as chairman of the board of directors and chief executive officer of Beijing CHJ Information Technology Co., Ltd. Mr. Li was also the founder of Autohome Inc., an NYSE-listed company, and served as its director from 2008 to 2016, its president from May 2013 to June 2015 and its executive vice president from 2008 to May 2013. Autohome Inc. provides online advertising services to the automotive industry.

*Mr. Liang Li* has served as our director since March 2015. Mr. Li is a partner of Hillhouse Capital since November 2005. Mr. Li served as a general manager at State Research Internet and Data (Beijing) Co., Ltd. from March 2001 to November 2005. Prior to that, he worked as a vice general manager at State Research Information and Technology Co., Ltd. Mr. Li received a bachelor's degree and a master's degree in automation from Tsinghua University in 1993 and 1997, respectively.

*Mr. Hai Wu* has served as our director since July 2016. Mr. Wu is a managing director of China at Temasek Holdings Advisors (Beijing) Co., Ltd. since May 2014. Mr. Wu has extensive experience in investments and management. Prior to joining Temasek Holdings, Mr. Wu was the chief executive officer at Ramaxel Technology (Shenzhen) Limited from April 2012 to February 2014 and a managing director at CITIC Private Equity Funds Management Co., Ltd. from March 2010 to May 2012. Mr. Wu served as the global director and managing partner of Beijing Branch office of McKinsey & Company from August 1999 to February 2010. He also served as a non-executive director of COFCO Meat Holdings Limited from September 2015 to December 2017. He received a bachelor degree in physiology from Peking University, a master's degree in business administration from the Johnson School of Management, University of Cornell and a doctoral degree in neuroscience and cell biology in Rutgers University.

*Mr. Yaqin Zhang* has served as our director since June 2018. Mr. Zhang has served as president of Baidu, Inc., a Nasdaq-listed company, since September 2014. Mr. Zhang has served as a director of ChinaCache International Holdings Ltd., a Nasdaq-listed company, since September 2010. Mr. Zhang served as an independent director and member of the audit committee of Autohome Inc., a NYSE-listed company, between December 2013 and January 2015. Mr. Zhang served as the chairman of Microsoft Asia-Pacific R&D Group between 2005 and September 2014 and was in charge of the research and development of Microsoft Corporation in the Asia-Pacific region. Mr. Zhang is one of the founding members of the Microsoft Research Asia lab, where he served as managing director and chief scientist, and he also founded the Advanced Technology Center in 2003. Before joining Microsoft in 1999, Mr. Zhang was a director for the Multimedia Technology Laboratory at Samoff Corp. and worked as a senior technical staff member for GTE Laboratories Inc. and Contel Corp. Mr. Zhang received his bachelor's and master's degrees in electrical engineering from the University of Science and Technology of China and a Ph.D. in electrical engineering from George Washington University.

*Mr. Xiangping Zhong* has served as our director since April 2018. Mr. Zhong currently serves as a general manager of map platform product department and a vice president of mobile internet group of Tencent Holdings Ltd. Mr. Zhong also serves as a director of NAVINFO Polytron Technologies Inc. since April 2017. Prior to that, he served as a general manager of mobile browsing products development at Tencent Holdings Ltd. from 2004 to 2008. Mr. Zhong received a bachelor's degree from Nanjing University in computer science and technology.

*Mr. Zhaohui Li* has served as our director since January 2018. Mr. Li currently works as the managing partner of Tencent Investment and a general manager of Mergers & Acquisitions Department of Tencent Holdings Ltd. Mr. Li is responsible for Tencent's investments in Offline-to-Online field, including social commerce, new retail, automotive, education and healthcare, among other consumer industries. Before joining Tencent, Mr. Li was the investment principal at Bertelsmann Asia Investment from 2008 to 2010. Prior to that, he worked for Google and Nokia in various product and business roles, where he gained substantial experience in

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the internet and mobile internet. Mr. Li received a bachelor's degree from Peking University in 1998 and an M.B.A. degree from Duke University's Fuqua School of Business in 2004.

*Mr. Denny Ting Bun Lee* will serve as our director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Lee has served as an independent non-executive director on the board of NetEase, Inc., a leading internet and online game service provider in China listed on the Nasdaq Global Select Market, since 2002. He was the chief financial officer of NetEase, Inc. from 2002 to 2007. Prior to joining NetEase, Inc., Mr. Lee worked in the Hong Kong office of KPMG for more than ten years. Mr. Lee currently serves as an independent non-executive director and the chairman of the audit committees of the following four companies: (1) Jianpu Technology Inc., a company listed on the New York Stock Exchange, (2) New Oriental Education & Technology Group Inc., a provider of private education services in China listed on the New York Stock Exchange, (3) Concord Medical Services Holdings Limited, a leading specialty hospital management solution provider and operator in China listed on the New York Stock Exchange, and (4) China Metal Resources Utilization Ltd., a company principally engaged in the manufacturing and sales of copper and related products in China listed on the main board of Hong Kong Stock Exchange. Mr. Lee graduated from the Hong Kong Polytechnic University majoring in accounting and is a member of The Hong Kong Institute of Certified Public Accountants and The Chartered Association of Certified Accountants.

*Mr. James Gordon Mitchell* will serve as our director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Currently, Mr. Mitchell serves as Senior Executive Vice President and Chief Strategy Officer of Tencent Holdings, where he has worked since July 2011. Mr. Mitchell has also served as the Chairman and non-executive director of the board of China Literature Limited since June 2017. He is also a non-executive director of certain other listed companies including Yixin Group Limited, a Chinese automobile retail transaction platform company listed on the main board of Hong Kong Stock Exchange (stock code 2858) and Frontier Developments, a British video game development company listed on the London Stock Exchange (under the symbol AIM: FDEV), and a director of several unlisted companies. Prior to Tencent, Mr. Mitchell was a managing director at Goldman Sachs. He received a bachelor's degree in history from the University of Oxford.

### **Board of Directors**

Our board of directors will consist of five directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (a) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

### **Committees of the Board of Directors**

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

*Audit Committee.* Our audit committee will consist of Denny Ting Bun Lee, Hai Wu and James Gordon Mitchell. Denny Ting Bun Lee will be the chairman of our audit committee. We have determined that Denny Ting Bun Lee and Hai Wu satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and Rule 10A-3 under the Exchange Act. We have determined that Denny Ting Bun Lee qualifies as an "audit committee financial expert." The audit committee

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will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

*Compensation Committee.* Our compensation committee will consist of Hai Wu, James Gordon Mitchell and Bin Li. Hai Wu will be the chairman of our compensation committee. We have determined that Hai Wu satisfies the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

*Nominating and Corporate Governance Committee.* Our nominating and corporate governance committee will consist of Bin Li, Hai Wu and Denny Ting Bun Lee. Bin Li will be the chairperson of our nominating and corporate governance committee. Hai Wu and Denny Ting Bun Lee satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regard to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

### **Duties of Directors**

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors

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must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

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

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

### **Terms of Directors and Officers**

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

### **Employment Agreements and Indemnification Agreements**

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of

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employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, 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 a director or officer of our company.

### **Compensation of Directors and Executive Officers**

For the fiscal year ended December 31, 2017, we paid an aggregate of RMB18.3 million (US\$2.8 million) in cash to our directors and executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our PRC subsidiaries and VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

### **Stock Incentive Plans**

Our board of directors has approved and adopted share-based awards under three stock incentive plans, namely, the 2015 Stock Incentive Plan, or the 2015 Plan, the 2016 Stock Incentive Plan, or the 2016 Plan, the 2017 Stock Incentive Plan, or the 2017 Plan. The terms of the 2015 Plan, the 2016 Plan and the 2017 Plan are substantially similar. The purpose of those plans is to attract and retain the best available personnel, to provide additional incentives to our employees, directors and consultants and to promote the success of our business. Our board of directors believes that our long-term success is dependent upon our ability to attract and retain superior individuals who, by virtue of their ability and qualifications, make important contributions to our business.

Under the 2015 Plan, 2016 Plan and 2017 Plan, the maximum numbers of Class A ordinary shares which may be issued pursuant to all awards are 46,264,378, 18,000,000 and 33,000,000, respectively. As of June 30, 2018, awards to purchase an aggregate amount of 88,939,542 Class A ordinary shares under our three stock incentive plans have been granted and are outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates.

The following paragraphs describe the principal terms of the 2015 Plan, 2016 Plan and 2017 Plan.

*Types of Awards.* Our stock incentive plans permit the awards of options, restricted shares, restricted share units, share appreciation rights, dividend equivalent right or other right or benefit under each plan.

*Plan Administration.* Our board of directors or a committee of one or more members of the board of directors or officers will administer our stock incentive plans. The committee or the full board of directors, as applicable, will determine the grantees to receive awards, the type and number of awards to be granted to each grantee, and the terms and conditions of each award grant.

*Award Agreement.* Awards granted under our stock incentive plans are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend the award.

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*Eligibility.* We may grant awards to our employees, consultants and directors.

*Vesting Schedule.* Except as approved by the plan administrator, options to be issued to the grantees under the stock incentive plans shall be subject to a minimum four (4) year vesting schedule calling for vesting no earlier than the following, counting from the applicable grant date or vesting commencement date (as determined by the plan administrator) with respect to the total issued options: the option representing 25% of the Class A ordinary shares under the option shall vest at the end of the first twelve (12) months commencing from the vesting commencement date, with remaining portions vesting in equal monthly installments over the next thirty-six (36) months.

*Exercise of Options.* The plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, In the case of an option granted to an employee who, at the time the option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of shares of us or our subsidiary or affiliate, the term of the option will not be longer than ten years from the date of grant under 2017 Plan, or five years from the date of grant under 2015 Plan and 2016 Plan.

*Drag-Along Events.* Except as provided in the applicable award agreement or sub-plan, in the event of a drag-along event specified under the stock incentive plans, the grantees who hold any Class A ordinary shares upon exercise of the award shall sell, transfer, convey or assign all of their shares pursuant to, and so as to give effect to, the drag-along event, and each of such grantees shall grant to the board of directors or a person authorized by the board of directors, a power of attorney to transfer, sell, convey and assign his/her shares and to do and carry out all acts and to execute all documents that are necessary or advisable to complete the drag-along event.

*Initial Public Offering.* In the case of this offering, the grantees shall enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by us for the purpose of this offering, and each of such grantees shall grant to the board of directors or a person authorized by the board of directors, a power of attorney to enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by us and to do and carry out all the acts and to execute all the documents that are necessary or advisable to complete this offering.

*Transfer Restrictions.* Awards shall be transferable, subject to applicable laws, (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the grantee, to the extent and in the manner authorized by the plan administrator. Notwithstanding the foregoing, the grantee may designate one or more beneficiaries of the grantee's award in the event of the grantee's death on a beneficiary designation form provided by the Administrator.

*Termination and Amendment of the Plan.* Unless terminated earlier or extended before expiration, each of our stock incentive plan has a term of ten years. The board of directors has the authority to terminate, amend or modify the stock incentive plans; provided, however, that no such amendment shall be made without the approval of our shareholders to the extent such approval is required by applicable laws or provisions of the stock incentive plans. However, without the prior written consent of the grantee, no such action may adversely affect any outstanding award previously granted pursuant to the stock incentive plan.



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The following table summarizes, as of the date of this prospectus, the awards granted under our 2015 Plan, 2016 Plan and 2017 Plan to several of our executive officers, excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Class A Ordinary Shares		Exercise Price (US\$/Share)	Date of Grant	Date of Expiration
	Underlying Options and Restricted Shares				
Bin Li	15,000,000		2.55	March 1, 2018	February 28, 2028
Louis T. Hsieh	*		0.1-2.55	February 1, 2018 February 28, 2018	January 31, 2028 February 27, 2028
Padma Warrior	*		0.27	March 10, 2016	March 9, 2026
Lihong Qing	*		2.55	February 1, 2018 February 28, 2018	January 31, 2028 February 27, 2028
Xin Zhou	*		2.55	February 1, 2018 February 28, 2018	January 31, 2028 February 27, 2028
Dongning Wang	*		0.1-2.55	December 1, 2015 February 1, 2018 February 28, 2018	November 30, 2025 January 31, 2028 February 27, 2028
Hsien Tsong Cheng	*		0.1-2.55	December 1, 2015 February 28, 2018	November 30, 2025 February 27, 2028
Feng Shen	*		1.80-2.55	December 25, 2017 February 1, 2018	December 24, 2027 January 31, 2028
<b>Total</b>	<b>30,535,008</b>				

\* Less than one percent of our total outstanding shares.

As of the date of this prospectus, other employees as a group held awards to purchase 34,796,162 Class A ordinary shares of our company, with exercise prices ranging from US\$0.10 to US\$3.38 per share.

### **2018 Share Incentive Plan**

In August 2018, our board of directors approved the 2018 Share Incentive Plan to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of our business. Under the 2018 Share Incentive Plan, or the 2018 Plan, the maximum number of shares available for issuance shall be 23,000,000 ordinary shares, which should automatically increase each year by the number of shares representing 1.5% of the then total issued and outstanding share capital of the Company as of the end of each preceding year. The 2018 Plan becomes effective on January 1 of the year following the completion of a qualified initial public offering for a term of five years.

As of the date of this prospectus, no share incentive award has been granted under the 2018 Plan.

The following paragraphs describe the principal terms of the 2018 Plan.

**Types of Awards.** The 2018 Plan permits the awards of options, restricted shares or any other type of awards that the committee grants.

**Plan Administration.** Our board of directors or a committee of one or more members of the board of directors will administer the 2018 Plan. The committee or the full board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each award grant.

**Award Agreement.** Awards granted under the 2018 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the award, the provisions

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applicable in the event of the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

**Eligibility.** We may grant awards to our employees, directors and consultants of our company. However, we may grant incentive share options only to our employees, parent and subsidiaries.

**Vesting Schedule.** In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

**Exercise of Options.** The plan administrator determines the exercise price for each award, which is stated in the award agreement. The vested portion of option will expire if not exercised prior to the time as the plan administrator determines at the time of its grant. However, the maximum exercisable term is five years from the date of a grant.

**Transfer Restrictions.** Awards may not be transferred in any manner by the recipient other than by will or the laws of descent and distribution, except as otherwise provided by the plan administrator.

**Termination and amendment of the 2018 Plan.** Unless terminated earlier, the 2018 Plan has a term of five years. Our board of directors has the authority to amend or terminate the plan. However, no such action may adversely affect in any material way any awards previously granted unless agreed by the recipient.

## PRINCIPAL SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by:

- each of our directors and executive officers; and
- each person known to us owning beneficially more than 5% of our ordinary shares.

The calculations in the table below are based on 866,010,046 ordinary shares on an as-converted basis outstanding as of the date of this prospectus, and Class A ordinary shares, Class B ordinary shares and Class C ordinary shares outstanding immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned Prior to This Offering		Ordinary Shares Beneficially Owned Immediately After This Offering					% of aggregate voting power†
	Ordinary shares	%	Class A ordinary shares	Class B ordinary shares	Class C ordinary shares	Total ordinary shares on an as converted basis	%	
<b>Directors and Executive Officers**:</b>								
Bin Li(1)	148,689,253	17.2						
Lihong Qin(2)	*	*						
Louis T. Hsieh(3)	*	*						
Hsien Tsong Cheng	*	*						
Padmasree Warrior(4)	11,785,272	1.4						
Xin Zhou	*	*						
Feng Sheng	—	—						
Dongning Wang	*	*						
Tian Cheng(5)	—	—						
Xiang Li(6)	15,000,000	1.7						
Liang Li(7)	—	—						
Hai Wu(8)	—	—						
Yaqin Zhang(9)	—	—						
Xiangping Zhong(10)	—	—						
Zhaohui Li(11)	—	—						
Denny Ting Bun Lee***	—	—						
James Gordon Mitchell***	—	—						
<b>All Directors and Executive Officers as a Group</b>	<b>182,532,977</b>	<b>21.1</b>						
<b>Principal Shareholders:</b>								
Founder vehicles(12)	148,689,253	17.2						
Tencent entities(13)	132,030,222	15.2						
Hillhouse entities(14)	65,368,424	7.5						

Notes:

\* Less than 1% of our total outstanding shares.

\*\* Except where otherwise disclosed in the footnotes below, the business address of all the directors and executive officers is Building 16, 20 and 22, No. 56 AnTuo Road, Jiading District, Shanghai, 201804, People's Republic of China.

\*\*\* Mr. Lee and Mr. Mitchell accepted our appointment to be directors of our company, both effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A, Class B and Class C

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ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share, each holder of our Class B ordinary shares is entitled to four votes per share and each holder of our Class C ordinary shares is entitled to eight votes per share on all matters submitted to them for a vote. Our Class A ordinary shares, Class B ordinary shares and Class C ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law.

- (1) Represents 148,689,253 ordinary shares issuable upon the conversion of (i) 122,045,675 series A-1 preferred shares and 189,253 ordinary shares held by Originalwish Limited and (ii) 26,454,325 series A-1 preferred shares held by mobike Global Ltd. Each of Originalwish Limited and mobike Global Ltd. is a company incorporated in British Virgin Islands and beneficially owned by Mr. Bin Li. Upon the completion of this offering, these shares will be in the form of Class C ordinary shares, except for 189,253 ordinary shares held by Originalwish Limited, which will be in the form of Class A ordinary shares.
- (2) The business address of Mr. Lihong Qin is Room 1401, No. 82, 1980 Nong, Luoxiu Road, Minhang District, Shanghai, People's Republic of China.
- (3) The business address of Mr. Louis T. Hsieh is Tower 2, 37-B, 1 Austin Road West, Kowloon, Hong Kong.
- (4) Represents 11,785,272 ordinary shares issuable upon the conversion of (i) 7,509,933 series A-3 preferred shares held by Ms. Padmasree Warrior, (ii) 833,332 ordinary shares held by Ms. Padmasree Warrior, and (iii) 991,426 ordinary shares and 991,426 ordinary shares held by the Padmasree Warrior as Trustee of the Padmasree Warrior 2018 Annuity Trust and the Padmasree Warrior as Trustee of the Mohandas Warrior 2018 Annuity Trust, respectively, and (iv) 1,459,155 ordinary shares that Ms. Padmasree Warrior may purchase upon exercise of options within 60 days of the date of this prospectus. The business address of Ms. Padmasree Warrior is 3200 North First Street, San Jose, CA 95134 United States of America. Upon the completion of this offering, these shares will be in the form of Class A ordinary shares.
- (5) The business address of Mr. Tian Cheng is Room 801, Block D1, Liangmaqiao DRC Office BLDG, Dongfang East Road 19, Chaoyang District, Beijing, People's Republic of China.
- (6) Represents 15,000,000 ordinary shares issuable upon the conversion of 15,000,000 series A-1 preferred shares held by Energy Lee Limited. Energy Lee Limited is a company incorporated in British Virgin Islands and beneficially owned by Mr. Xiang Li. The business address of Mr. Xiang Li is No.399, Dongxindian, Chaoyang District, Beijing, People's Republic of China. Upon the completion of this offering, these shares will be in the form of Class A ordinary shares.
- (7) The business address of Mr. Liang Li is Floor 28, Building B, PingAn International Financial Center, Chaoyang District, Beijing, People's Republic of China.
- (8) The business address of Mr. Hai Wu is Unit 06, 55F, Fortune Financial Center, No. 5 Dong San Huan Zhong Road, Chaoyang District, Beijing, People's Republic of China.
- (9) The business address of Mr. Zhang is Baidu Campus, No. 10 Shangdi 10th Street, Haidian District, Beijing, People's Republic of China.
- (10) The business address of Mr. Xiangping Zhong is 10F, Han's Laser Building, 9988 Shennan Avenue, Nanshan District, Shenzhen, 518052, People's Republic of China.
- (11) The business address of Mr. Zhaohui Li is 10F, China Technology Trade Center, No. 66 North 4th Ring West Road, Hai Dian District, Beijing, People's Republic of China.
- (12) Represents 148,689,253 ordinary shares issuable upon the conversion of (i) 122,045,675 series A-1 preferred shares and 189,253 ordinary shares held by Originalwish Limited, and (ii) 26,454,325 series A-1 preferred shares held by mobike Global Ltd, which are collectively referred to in this prospectus as Founder Vehicles. Each of Originalwish Limited and mobike Global Ltd. is a company incorporated in British Virgin Islands and beneficially owned by Mr. Bin Li. The registered address of Originalwish Limited and mobike Global Ltd. is Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands. Upon the completion of this offering, these shares will be in the form of Class C ordinary shares, except for 189,253 ordinary shares held by Originalwish Limited, which will be in the form of Class A ordinary shares.
- (13) Represents 132,030,222 ordinary shares issuable upon the conversion of (i) 30,000,000 series A-2 preferred shares and 10,905,125 series B preferred shares held by Mount Putuo Investment Limited, (ii) 25,740,026 series C preferred shares and 61,648,781 series D preferred shares held by Image Frame Investment (HK) Limited and (iii) 3,736,290 series D preferred shares held by TPP Follow-on I Holding D Limited, which are collectively referred to in this prospectus as Tencent entities. Mount Putuo Investment Limited is a company incorporated in British Virgin Islands, and Image Frame Investment (HK) Limited, a company incorporated in Hong Kong, and TPP Follow-on I Holding D Limited, a company incorporated in Cayman Islands. The sole member of Image Frame Investment (HK) Limited is Tencent Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered address of Mount Putuo Investment Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The register address of Image Frame Investment (HK) Limited and TPP Follow-on I Holding D Limited is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Upon the completion of this offering, these shares will be in the form of Class B ordinary shares.
- (14) Represents 65,368,424 ordinary shares issuable upon the conversion of (i) 50,000,000 series A-2 preferred shares and 3,635,042 series B preferred shares held by Hillhouse NEV Holdings Limited, (ii) 7,997,092 series B-21 preferred shares held by HH RSV-X Holdings Limited and (iii) 3,736,290 series D preferred shares held by HH DYU Holdings Limited. Hillhouse NEV Holdings Limited, HH RSV-X Holdings Limited and HH DYU Holdings Limited are collectively referred to as Hillhouse entities. Hillhouse NEV Holdings Limited is wholly owned by Hillhouse Fund II, L.P. Hillhouse

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Capital Management, Ltd. acts as the sole management company of Hillhouse Fund II, L.P., which is in turn ultimately controlled by Mr. Lei Zhang. The principal business address of Hillhouse NEV Holdings Limited is Citco B.V.I. Limited, Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands. Upon the completion of this offering, these shares will be in the form of Class A ordinary shares.

As of the date of this prospectus, 7,644,439 of our ordinary shares or preferred shares are held by record holders in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

## RELATED PARTY TRANSACTIONS

### Contractual Arrangements with our VIEs and their Shareholders

See “Corporate History and Structure.”

### Shareholders Agreement

See “Description of Share Capital—History of Securities Issuances.”

### Employment Agreements and Indemnification Agreements

See “Management—Employment Agreements and Indemnification Agreements.”

### Share Incentive Plan

See “Management—Share Incentive Plans.”

### Other Transactions with Related Parties

In 2018, we granted two interest free loans to NIO Capital, an entity affiliated with our founder Bin Li, with principal amount of US\$5.0 million each. The loans mature in 6 months. One of the loans can be converted into ordinary shares of a subsidiary of NIO Capital upon maturity at our option. As of June 30, 2018, the loans amounting equivalent to RMB66.2 million were outstanding. One of the loans with principal amount of US\$5.0 million has been fully repaid as of the date of this prospectus.

In 2017 and 2018, we received marketing and advertising services from Beijing Xinyi Hudong Guanggao Co., Ltd., Bite Shijie (Beijing) Keji Co., Ltd., or Bite, and Beijing Chehui Hudong Guanggao Co., Ltd. In 2017 and the six months ended June 30, 2018, we incurred RMB 15.6 million and RMB12.7 million, respectively. Beijing Chehui Hudong Guanggao Co., Ltd., Beijing Xinyi Hudong Guanggao Co., Ltd. and Bite are affiliates of ours.

In 2017 and 2018, we provided administrative support, design and research and development services to companies controlled by our principal shareholders, including Hubei Changjiang Nextev New Energy Investment Management Co., Ltd., Beijing CHJ Information Technology Co., Ltd., Hubei Changjiang Nextev New Energy Industry Development Capital Partnership (Limited Partnership), Jiangsu Xindian Automotive Co., Ltd. and Shanghai NIO Hongling Investment Management Co., Ltd. In 2017 and the six months ended June 30, 2018, we received total service income of RMB21.5 million and RMB0.9 million, respectively.

In 2017 and the six months ended June 30, 2018, we paid a total of RMB18.3 million and RMB10.8 million, respectively, for the cost of manufacturing consignment to Suzhou Zenlead XPT New Energy Technologies Co., Ltd., or Suzhou Zenlead. Suzhou Zenlead is an affiliate of ours.

In 2017, we paid a total of RMB3.0 million to Bite, for the purchase of property and equipment. Bite is an affiliate of ours.

In 2017, we granted interest-free loans to Ningbo Meishan Bonded Port Area Weilan Investment Co., Ltd., a company controlled by our principal shareholders. As of June 30, 2018, the loans were outstanding.

In 2018, we paid a total of RMB29.7 million on behalf of Baidu Capital L.P., a shareholder of the Company, to a third party.

In 2016, we granted an interest-free, unsecured and payable on demand loan in the total amount of RMB1.7 million to Bin Li, our founder and chief executive officer. As of the date of this prospectus, the loan has been fully repaid.

## DESCRIPTION OF SHARE CAPITAL

We are an exempted company incorporated under the laws of the Cayman Islands and our affairs are governed by our amended & restated memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands, which we refer to as the Companies Law below and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital is US\$500,000 divided into 2,000,000,000 shares, with a par value of US\$0.00025 each, and (i) 1,151,269,325 are designated as ordinary shares, (ii) 165,000,000 are designated as Series A-1 preferred shares, (iii) 130,000,000 are designated as Series A-2 preferred shares, (iv) 31,720,364 are designated as Series A-3 preferred shares, (v) 114,867,321 are designated as Series B preferred shares, (vi) 167,142,990 are designated as Series C preferred shares, and (vii) 240,000,000 are designated as Series D preferred shares. As of the date of this prospectus, 44,631,528 ordinary shares and 821,378,518 preferred shares are issued and outstanding. All of our issued and outstanding ordinary and preferred shares are fully paid. Immediately prior to the completion of this offering, there will be           ordinary shares outstanding, including a total of           Class A ordinary shares,           Class B ordinary shares and           Class C ordinary shares resulting from the automatic conversion of all of our outstanding ordinary shares from preferred shares, assuming the underwriters do not exercise the over-allotment option.

### Our Post-Offering Amended and Restated Memorandum and Articles

Prior to the completion of this offering, our shareholders will conditionally adopted an amended and restated memorandum and articles of association, which will become effective and replace our current amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of certain material provisions of the post-offering amended and restated memorandum and articles of association that will become effective immediately prior to completion of this offering, and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

*Objects of Our Company.* Under our post-offering amended and restated memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

*Ordinary Shares.* Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

#### *Class of ordinary shares*

Holders of Class A ordinary shares, Class B ordinary shares and Class C ordinary shares shall at all times vote together as one class on all resolutions submitted to a vote by the holders of ordinary shares. Each Class A ordinary share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of our company, each Class B ordinary share shall entitle the holder thereof to four (4) votes on all matters subject to vote at general meetings of our company, and each Class C ordinary share shall entitle the holder thereof to eight (8) votes on all matters subject to vote at general meetings of our company.

#### *Conversion*

Each Class B ordinary share is convertible into one (1) Class A ordinary share at any time at the option of the holder thereof. Each Class C ordinary share is convertible into one (1) Class A ordinary share at any time at the option of the holder thereof. In no event shall Class A ordinary shares be convertible into Class B ordinary shares or Class C ordinary shares. Upon any sale, transfer, assignment or disposition of any Class B ordinary share or Class C ordinary share by a shareholder to any person who is not an affiliate of such shareholder, or

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upon a change of ultimate beneficial ownership of any Class B ordinary share or Class C ordinary share to any person who is not an affiliate of the registered shareholder of such share, each such Class B ordinary share and Class C ordinary share, as applicable, shall be automatically and immediately converted into one (1) Class A ordinary share.

*Dividends.* The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. Subject to our post-offering amended memorandum and restated articles of association. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

*Voting Rights.* Voting at any shareholders' meeting is by show of hands unless a poll is demanded. Each Class A ordinary share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of our company, each Class B ordinary share shall entitle the holder thereof to four (4) votes on all matters subject to vote at general meetings of our company, and each Class C ordinary share shall entitle the holder thereof to eight (8) votes on all matters subject to vote at general meetings of our company. A poll may be demanded by the chairman of such meeting or any one or more shareholders present in person or by proxy at the meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering amended and restated memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

*General Meetings of Shareholders.* As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors. Advance notice of at least ten calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than one-third of the votes attaching to the outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our post-offering amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

*Transfer of Ordinary Shares.* Subject to the restrictions in our post-offering amended and restated memorandum and articles of association set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.



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Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required; and
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.
- a fee of such maximum sum as the New York Stock Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the New York Stock Exchange, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

*Liquidation.* On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them.

*Calls on Shares and Forfeiture of Shares.* Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

*Redemption, Repurchase and Surrender of Shares.* We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors. Our Company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Companies Law, the redemption or repurchase of any share may be paid out of our Company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

*Variations of Rights of Shares.* If at any time, our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the

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shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of holders of not less than two-thirds of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

*Issuance of Additional Shares.* Our post-offering amended and restated memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-offering amended and restated memorandum of association also authorizes our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

*Inspection of Books and Records.* Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See “Where You Can Find Additional Information.”

*Anti-Takeover Provisions.* Some provisions of our post-offering amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-offering amended and restated memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

*Exempted Company.* We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies of the Cayman Islands;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;

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- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

### **Differences in Corporate Law**

The Companies Law is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

*Mergers and Similar Arrangements.* The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a “parent” of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman Islands constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his or her shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies

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Law. The exercise of such dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

*Shareholders’ Suits.* In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

*Indemnification of Directors and Executive Officers and Limitation of Liability.* The Companies law does not limit the extent to which a company’s memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman

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Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering amended and restated memorandum and articles of association provide that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's 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 director or officer 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. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under 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.

*Directors' Fiduciary Duties.* Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

*Shareholder Action by Written Consent.* Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our post-offering amended and restated articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

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*Shareholder Proposals.* Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated articles of association allow our shareholders holding in aggregate not less than one-third of all votes attaching to the outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings.

*Cumulative Voting.* Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering amended and restated articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

*Removal of Directors.* Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering amended and restated articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders.

*Transactions with Interested Shareholders.* The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

*Dissolution; Winding up.* Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting

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power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Companies law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

*Variation of Rights of Shares.* Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering amended and restated articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of not less than two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

*Amendment of Governing Documents.* Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Law and our post-offering amended and restated memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

*Rights of Non-resident or Foreign Shareholders.* There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

## **History of Securities Issuances**

The following is a summary of our securities issuances in the past three years.

### ***Ordinary Shares***

On January 6, 2015, one ordinary share was transferred from the subscriber to Originalwish Limited for nominal consideration. On the same day, we issued an aggregate of 199,999,999 ordinary shares for aggregate consideration of US\$50,000.0 to Originalwish Limited and Prime Hubs Limited.

On February 15, 2015, we repurchased 150,000,000 ordinary shares for consideration of US\$37,500.0 from Originalwish Limited.

On March 18, 2015, we re-designated 50,000,000 shares issued to Prime Hubs Limited as ordinary shares.

On September 24, 2015, we repurchased 23,099,999 ordinary shares for consideration of US\$5,850,000.0 from Prime Hubs Limited.

### ***Preferred Shares***

On March 18, 2015, we issued an aggregate of 150,000,000 series A-1 preferred shares for aggregate consideration of US\$150,000,000.0 to Originalwish Limited. On the same day, we issued an aggregate of

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80,000,000 series A-2 preferred shares for aggregate consideration of US\$80,000,000.0 to Hillhouse NEV Holdings Limited, Shunwei TMT II Limited and Shunwei Growth II Limited.

On May 6, 2015, we issued an aggregate of 15,000,000 series A-1 preferred shares for aggregate consideration of US\$15,000,000.0 to Energy Lee Limited and 30,000,000 series A-2 preferred shares for consideration of US\$30,000,000.0 to Mount Putuo Investment Limited.

On June 23, 2015, we issued 20,000,000 series A-2 preferred shares for consideration of US\$20,000,000.0 to Smart Group Global Limited.

On September 12, 2015, we issued an aggregate of 24,210,431 series A-3 preferred shares for aggregate consideration of US\$40,000,000.0 to Sequoia Capital China GF Holdco III-A, Ltd. and Joy Capital I, L.P..

On March 10, 2016, we issued 7,509,933 series A-3 preferred shares for consideration of US\$12,407,911.3 to Padmasree Warrior.

On July 21, 2016, we issued an aggregate of 96,692,112 series B preferred shares for aggregate consideration of US\$261,000,000.0 to Anderson Investments Pte. Ltd., Hillhouse NEV Holdings Limited, Shunwei TMT II Limited, Shunwei Growth II Limited, Mount Putuo Investment Limited, SCC Growth IV Holdco A, Ltd., Joy Capital I, L.P., Bluestone Company Limited, Magic Stone Alternative Private Equity Fund, L.P., TPG Growth III SF Pte. Ltd., Ultimate Lenovo Limited, Renaissance Era International Private Equity Fund I L.P., Palace Investments Pte. Ltd. and Grandfield Investment Ltd.

On August 19, 2016, we issued an aggregate of 1,817,521 series B preferred shares for aggregate consideration of US\$5,000,000.0 to IDG China Venture Capital Fund IV L.P. and IDG China IV Investors L.P.

On September 30, 2016, we issued 5,452,563 series B preferred shares for consideration of US\$15,000,000.0 to Bright Sky II, L.P.

On February 8, 2017, we issued 2,908,033 series B preferred shares for consideration of US\$8,000,000.0 to ORIENT HONTAI LIMITED. On the same day, we forfeited 1,817,521 series B preferred shares from Renaissance Era International Private Equity Fund I L.P.

On February 9, 2017, we issued an aggregate of 9,814,613 series B preferred shares for aggregate consideration of US\$27,000,000.0 to LONG WINNER INVESTMENT LIMITED and HH RSV-X Holdings Limited.

On March 24, 2017, we issued an aggregate of 114,650,712 series C preferred shares for aggregate consideration of US\$441,777,369.2 to Baidu Capital L.P., WEST CITY ASIA LIMITED, Haitong International Investment Holdings Limited, Haixia NEV International Limited Partnership, New Margin Capital Hong Kong Co., Limited, Palace Investments Pte. Ltd., Image Frame Investment (HK) Limited, Total Prestige Investment Limited, Zhide EV Investment Limited, Bright Sky II, L.P., TPG Growth III SF Pte. Ltd., Bluestone Company Limited, CEG Smart Travel Co, Limited, IDG China Venture Capital Fund IV L.P. IDG China IV Investors L.P., CYBER TYCOON LIMITED, Honor Best International Limited and Tanzanite Gem Holdings Limited.

On May 3, 2017, we issued an aggregate of 26,739,253 series C preferred shares for aggregate consideration of US\$103,882,000.0 to Anderson Investments Pte. Ltd., Ultimate Lenovo Limited, CYBER TYCOON LIMITED, Honor Best International Limited, CHAMPION ELITE GLOBAL LIMITED, CHINA INDUSTRIAL INTERNATIONAL TRUST ASSET MANAGEMENT COMPANY LIMITED, HF Holdings Limited and Tea Leaf Limited.

On July 6, 2017, we issued an aggregate of 24,466,024 series C preferred shares for aggregate consideration of US\$95,050,500.0 to Tea Leaf Limited, BLISSFUL DAYS HOLDINGS LIMITED, Guangfa Xinde Capital



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Management Limited, Bluefuture Fund L.P., UBS AG, London Branch, KEEN EAGLE CAPITAL INVESTMENT LIMITED and China Oceanwide International Asset Management Limited.

On July 20, 2017, we issued 1,287,001 series C preferred shares for consideration of US\$5,000,000.0 to CMFHK Fortune 100 SPC.

On November 10, 2017, we issued an aggregate of 196,211,257 series D preferred shares for aggregate consideration of US\$1,050,300,000.0 to Image Frame Investment (HK) Limited, MORESPARK LIMITED, LEAP PROSPECT LIMITED, Serenity WL Holdings Ltd, SCOTTISH MORTGAGE INVESTMENT TRUST PLC, PACIFIC HORIZON INVESTMENT TRUST PLC, Myriad Opportunities Master Fund Limited, LONE SPRUCE, L.P., Lone Cypress, LTD., ULTRA RESULT HOLDINGS LIMITED, AL NAHDHA INVESTMENT LLC, Al Beed Group, Oldbridge Invest L.L.C., AC Limited, BEST CASTLE LIMITED, HUBEI SCIENCE & TECHNOLOGY INVESTMENT GROUP (HONG KONG) COMPANY LIMITED, WP NIO Investment Partnership, LP, Lezmenia Assets Limited, LAPATHIA HOLDINGS LIMITED, PV Vision Limited, Silver Ridge Fund I Limited Partnership, The Mabel Chan 2012 Family Trust, Magic Stone Special Opportunity Fund IV L.P., Mega Treasure Investment Limited, Tanzanite Gem Holdings Limited, SCC Growth IV Holdco A, Ltd., Joy Next Investment Management Limited, Anderson Investments Pte. Ltd., HH DYU Holdings Limited, TPG Growth III SF Pte. Ltd., Bluestone Company Limited, Bright Sky II, L.P, Diamond Division Limited, WEST CITY ASIA LIMITED, Haixia NEV International Limited Partnership, Palace Investments Pte.Ltd. and KEEN EAGLE CAPITAL INVESTMENT LIMITED.

On November 24, 2017, we issued an aggregate of 11,769,312 series D preferred shares for aggregate consideration of US\$63,000,000.0 to Caitong Funds SPC – New Technology Fund Segregated Portfolio, CICC Ehealthcare Investment Limited, CapThrone Investment Limited Partnership and HCM VI Limited.

On December 1, 2017, we issued 4,670,362 series D preferred shares for a consideration of US\$25,000,000.0 to STAR AZURE INTERNATIONAL LIMITED.

On December 15, 2017, we issued 934,072 series D preferred shares for consideration of US\$5,000,000.0 to Oceanwide Sigma Limited.

On February 24, 2018, we forfeited 937,160 series C preferred shares from CEG Smart Traval Co., Limited.

### ***Option and Restricted Share Grants***

We have granted options, restricted shares and other awards to purchase our ordinary shares to certain of our directors, executive officers, employees and consultants. See “Management—Share Incentive Plans.”

### ***Shareholders Agreement and Right of First Refusal and Co-Sale Agreement***

We entered into a shareholders agreement and a right of first refusal and co-sale agreement on November 10, 2017 with our shareholders, which consist of holders of ordinary shares and preferred shares.

The shareholders agreement and right of first refusal and co-sale agreement provide for certain special rights, including right of first refusal, co-sale rights, preemptive rights and contain provision governing board of directors and other corporate governance matters. Those special rights, as well as the corporate governance provisions, will automatically terminate upon the completion of this offering.

### ***Registration Rights***

Pursuant to our shareholders agreement dated November 10, 2017, we have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the agreement.

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***Demand Registration Rights.*** Holders holding 10% or more of the voting power of the then outstanding registrable securities held by all holders are entitled to request in writing that we effect a registration statement for any or all of registrable securities of the initiating holders. We have the right to defer filing of a registration statement for a period of not more than 90 days if our board of directors determines in the good faith judgment that filing of a registration statement in the near future will be materially detrimental to us or our shareholders, but we cannot exercise the deferral right on any one occasion or more than once during any twelve-month period and cannot register any other securities during such period. We are not obligated to effect more than two demand registrations. Further, if the registrable securities are offered by means of an underwritten offering, and the managing underwriter advises us that marketing factors require a limitation of the number of securities to be underwritten, the underwriters may decide to exclude up to 75% of the registrable securities requested to be registered but only after first excluding all other equity securities from the registration and underwritten offering, provided that the number of shares to be included in the registration on behalf of the non-excluded holders is allocated among all holders in proportion to the respective amounts of registrable securities requested by such holders to be included.

***Registration on Form F-3 or Form S-3.*** Any holder is entitled to request us to file a registration statement on Form F-3 or Form S-3 if we qualify for registration on Form F-3 or Form S-3. The holders are entitled to an unlimited number of registrations on Form F-3 or Form S-3 so long as such registration offerings are in excess of US\$5,000,000. We have the right to defer filing of a registration statement for a period of not more than 60 days if our board of directors determines in the good faith judgment that filing of a registration statement in the near future will be materially detrimental to us or our shareholders, but we cannot exercise the deferral right on any one occasion or more than once during any twelve-month period and cannot register any other securities during such period.

***Piggyback Registration Rights.*** If we propose to register for our own account any of our equity securities, or for the account of any holder, other than current shareholders, of such equity securities, in connection with the public offering, we shall offer holders of our registrable securities an opportunity to be included in such registration. If the underwriters advise in writing that market factors require a limitation of the number of registrable securities to be underwritten, the underwriters may up to 75% of the registrable securities requested to be registered but only after first excluding all other equity securities (except for securities sold for the account of our company) from the registration and underwriting, provided that the number of shares to be included in the registration on behalf of the non-excluded holders is allocated among all holders in proportion to the respective amounts of registrable securities requested by such holders to be included.

***Expenses of Registration.*** We will bear all registration expenses, other than the underwriting discounts and selling commissions applicable to the sale of registrable securities, incurred in connection with registrations, filings or qualification pursuant to the shareholders agreement.

***Termination of Obligations.*** We have no obligation to effect any demand, piggyback or Form F-3 or Form S-3 registration upon the earlier of (i) the tenth anniversary from the date of closing of a Qualified IPO as defined in the shareholders agreement, and (ii) with respect to any holder, the date on which such holder may sell without registration, all of such holder's registrable securities Rule 144 of the Securities Act in any 90-day period.

## DESCRIPTION OF AMERICAN DEPOSITARY SHARES

### American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, will register and deliver the ADSs. Each ADS will represent ownership of Class A ordinary shares, deposited with Deutsche Bank AG, Hong Kong Branch, as custodian for the depositary. Each ADS will also represent ownership of any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 60 Wall Street, New York, NY 10005, USA. The principal executive office of the depositary is located at 60 Wall Street, New York, NY 10005, USA.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, or DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto.

We will not treat ADS holders as our shareholders and accordingly, you, as an ADS holder, will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the ordinary shares underlying your ADSs. As a holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and the beneficial owners of ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The laws of the State of New York govern the deposit agreement and the ADSs. See "— Jurisdiction and Arbitration."

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of American Depositary Receipt. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

### Holding the ADSs

#### *How will you hold your ADSs?*

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, or ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by holding ADSs in DRS, or (2) indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADS holder. This description assumes you hold your ADSs directly. ADSs will be issued through DRS, unless you specifically request certificated ADRs. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

### Dividends and Other Distributions

#### *How will you receive dividends and other distributions on the shares?*

The depositary has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent as of the record date (which will be as close as practicable to the record date for our ordinary shares) set by the depositary with respect to the ADSs.

- **Cash.** The depositary will convert or cause to be converted any cash dividend or other cash distribution we pay on the ordinary shares or any net proceeds from the sale of any ordinary shares, rights, securities or other entitlements under the terms of the deposit agreement into U.S. dollars if it can do so on a practicable basis, and can transfer the U.S. dollars to the United States and will distribute promptly the amount thus received. If the depositary shall determine in its judgment that such conversions or

transfers are not practical or lawful or if any government approval or license is needed and cannot be obtained at a reasonable cost within a reasonable period or otherwise sought, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold or cause the custodian to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid and such funds will be held for the respective accounts of the ADS holders. It will not invest the foreign currency and it will not be liable for any interest for the respective accounts of the ADS holders.

- Before making a distribution, any taxes or other governmental charges, together with fees and expenses of the depositary, that must be paid, will be deducted. See “Taxation.” It will distribute only whole U.S. dollars and cents and will round down fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.*
- **Shares.** For any ordinary shares we distribute as a dividend or free distribution, either (1) the depositary will distribute additional ADSs representing such ordinary shares or (2) existing ADSs as of the applicable record date will represent rights and interests in the additional ordinary shares distributed, to the extent reasonably practicable and permissible under law, in either case, net of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The depositary will only distribute whole ADSs. It will try to sell ordinary shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. The depositary may sell a portion of the distributed ordinary shares sufficient to pay its fees and expenses, and any taxes and governmental charges, in connection with that distribution.
- **Elective Distributions in Cash or Shares.** If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, the depositary, after consultation with us and having received timely notice as described in the deposit agreement of such elective distribution by us, has discretion to determine to what extent such elective distribution will be made available to you as a holder of the ADSs. We must timely first instruct the depositary to make such elective distribution available to you and furnish it with satisfactory evidence that it is legal to do so. The depositary could decide it is not legal or reasonably practicable to make such elective distribution available to you. In such case, the depositary shall, on the basis of the same determination as is made in respect of the ordinary shares for which no election is made, distribute either cash in the same way as it does in a cash distribution, or additional ADSs representing ordinary shares in the same way as it does in a share distribution. The depositary is not obligated to make available to you a method to receive the elective dividend in shares rather than in ADSs. There can be no assurance that you will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of ordinary shares.
- **Rights to Purchase Additional Shares.** If we offer holders of our ordinary shares any rights to subscribe for additional shares, the depositary shall having received timely notice as described in the deposit agreement of such distribution by us, consult with us, and we must determine whether it is lawful and reasonably practicable to make these rights available to you. We must first instruct the depositary to make such rights available to you and furnish the depositary with satisfactory evidence that it is legal to do so. If the depositary decides it is not legal or reasonably practicable to make the rights available but that it is lawful and reasonably practicable to sell the rights, the depositary will endeavor to sell the rights and in a riskless principal capacity or otherwise, at such place and upon such terms (including public or private sale) as it may deem proper distribute the net proceeds in the same way as it does with cash. The depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If the depositary makes rights available to you, it will establish procedures to distribute such rights and enable you to exercise the rights upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The Depositary shall not be obliged to make available to you a method to exercise such rights to subscribe for ordinary shares (rather than ADSs).

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

There can be no assurance that you will be given the opportunity to exercise rights on the same terms and conditions as the holders of ordinary shares or be able to exercise such rights.

- **Other Distributions.** Subject to receipt of timely notice, as described in the deposit agreement, from us with the request to make any such distribution available to you, and provided the depositary has determined such distribution is lawful and reasonably practicable and feasible and in accordance with the terms of the deposit agreement, the depositary will distribute to you anything else we distribute on deposited securities by any means it may deem practicable, upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. If any of the conditions above are not met, the depositary will endeavor to sell, or cause to be sold, what we distributed and distribute the net proceeds in the same way as it does with cash; or, if it is unable to sell such property, the depositary may dispose of such property in any way it deems reasonably practicable under the circumstances for nominal or no consideration, such that you may have no rights to or arising from such property.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if we and/or the depositary determines that it is illegal or not practicable for us or the depositary to make them available to you.

## **Deposit, Withdrawal and Cancellation**

### ***How are ADSs issued?***

The depositary will deliver ADSs if you or your broker deposit ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons entitled thereto.

[Except for ordinary shares deposited by us in connection with this offering, no shares will be accepted for deposit during a period of 180 days after the date of this prospectus. The 180 day lock up period is subject to adjustment under certain circumstances as described in the section entitled “Shares Eligible for Future Sales—Lock-up Agreements.”]

### ***How do ADS holders cancel an American Depositary Share?***

You may turn in your ADSs at the depositary’s corporate trust office or by providing appropriate instructions to your broker. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the ordinary shares and any other deposited securities underlying the ADSs to you or a person you designate at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, to the extent permitted by law.

### ***How do ADS holders interchange between Certificated ADSs and Uncertificated ADSs?***

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send you a statement confirming that you are the owner of

uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

## **Voting Rights**

### ***How do you vote?***

You may instruct the depositary to vote the ordinary shares or other deposited securities underlying your ADSs at any meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities. Otherwise, you could exercise your right to vote directly if you withdraw the ordinary shares. However, you may not know about the meeting sufficiently enough in advance to withdraw the ordinary shares.

If we ask for your instructions and upon timely notice from us by regular, ordinary mail delivery, or by electronic transmission, as described in the deposit agreement, the depositary will notify you of the upcoming meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, and arrange to deliver our voting materials to you. The materials will include or reproduce (a) such notice of meeting or solicitation of consents or proxies; (b) a statement that the ADS holders at the close of business on the ADS record date will be entitled, subject to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, to instruct the depositary as to the exercise of the voting rights, if any, pertaining to the ordinary shares or other deposited securities represented by such holder's ADSs; and (c) a brief statement as to the manner in which such instructions may be given to the depositary. Voting instructions may be given only in respect of a number of ADSs representing an integral number of ordinary shares or other deposited securities. For instructions to be valid, the depositary must receive them in writing on or before the date specified. The depositary will try, as far as practical, subject to applicable law and the provisions of our memorandum and articles of association, to vote or to have its agents vote the ordinary shares or other deposited securities (in person or by proxy) as you instruct. The depositary will only vote or attempt to vote as you instruct.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the ordinary shares underlying your ADSs. In addition, there can be no assurance that ADS holders and beneficial owners generally, or any holder or beneficial owner in particular, will be given the opportunity to vote or cause the custodian to vote on the same terms and conditions as the holders of our ordinary shares.

The depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and you may have no recourse if the ordinary shares underlying your ADSs are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will give the depositary notice of any such meeting and details concerning the matters to be voted at least 30 business days in advance of the meeting date.

## **Compliance with Regulations**

### ***Information Requests***

Each ADS holder and beneficial owner shall (a) provide such information as we or the depositary may request pursuant to law, including, without limitation, relevant Cayman Islands law, any applicable law of the United States of America, our memorandum and articles of association, any resolutions of our Board of Directors

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adopted pursuant to such memorandum and articles of association, the requirements of any markets or exchanges upon which the ordinary shares, ADSs or ADRs are listed or traded, or to any requirements of any electronic book-entry system by which the ADSs or ADRs may be transferred, regarding the capacity in which they own or owned ADRs, the identity of any other persons then or previously interested in such ADRs and the nature of such interest, and any other applicable matters, and (b) be bound by and subject to applicable provisions of the laws of the Cayman Islands, our memorandum and articles of association, and the requirements of any markets or exchanges upon which the ADSs, ADRs or ordinary shares are listed or traded, or pursuant to any requirements of any electronic book-entry system by which the ADSs, ADRs or ordinary shares may be transferred, to the same extent as if such ADS holder or beneficial owner held ordinary shares directly, in each case irrespective of whether or not they are ADS holders or beneficial owners at the time such request is made.

### ***Disclosure of Interests***

Each ADS holder and beneficial owner shall comply with our requests pursuant to Cayman Islands law, the rules and requirements of the New York Stock Exchange and any other stock exchange on which the ordinary shares are, or will be, registered, traded or listed or our memorandum and articles of association, which requests are made to provide information, inter alia, as to the capacity in which such ADS holder or beneficial owner owns ADS and regarding the identity of any other person interested in such ADS and the nature of such interest and various other matters, whether or not they are ADS holders or beneficial owners at the time of such requests.

### **Fees and Expenses**

As an ADS holder, you will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs):

<u>Service</u>	<u>Fees</u>
• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US\$0.05 per ADS issued
• Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled
• Distribution of cash dividends	Up to US\$0.05 per ADS held
• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US\$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights.	Up to US\$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.05 per ADS held
• Depositary services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).

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- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

### **Payment of Taxes**

You will be responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.



## Reclassifications, Recapitalizations and Mergers

### If we:

Change the nominal or par value of our ordinary shares

Reclassify, split up or consolidate any of the deposited securities

Distribute securities on the ordinary shares that are not distributed to you, or Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action

### Then:

The cash, shares or other securities received by the depositary will become deposited securities.

Each ADS will automatically represent its equal share of the new deposited securities.

The depositary may distribute some or all of the cash, shares or other securities it received. It may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

## Amendment and Termination

### *How may the deposit agreement be amended?*

We may agree with the depositary to amend the deposit agreement and the form of ADR without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, including expenses incurred in connection with foreign exchange control regulations and other charges specifically payable by ADS holders under the deposit agreement, or materially prejudices a substantial existing right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended. If any new laws are adopted which would require the deposit agreement to be amended in order to comply therewith, we and the depositary may amend the deposit agreement in accordance with such laws and such amendment may become effective before notice thereof is given to ADS holders.

### *How may the deposit agreement be terminated?*

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to you at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign, or if we have removed the depositary, and in either case we have not appointed a new depositary within 90 days. In either such case, the depositary must notify you at least 30 days before termination.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and deliver ordinary shares and other deposited securities upon cancellation of ADSs after payment of any fees, charges, taxes or other governmental charges. Six months or more after the date of termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. After such sale, the depositary's only obligations will be to account for the money and other cash. After termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary thereunder.

## Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the Company, the ADRs and the deposit agreement.

The depositary will maintain facilities in the Borough of Manhattan, The City of New York to record and process the issuance, cancellation, combination, split-up and transfer of ADRs.

These facilities may be closed at any time or from time to time when such action is deemed necessary or advisable by the depositary in connection with the performance of its duties under the deposit agreement or at our reasonable written request.

#### **Limitations on Obligations and Liability**

##### ***Limits on our Obligations and the Obligations of the Depositary and the Custodian; Limits on Liability to Holders of ADSs***

The deposit agreement expressly limits our obligations and the obligations of the depositary and the custodian. It also limits our liability and the liability of the depositary. The depositary and the custodian:

- are only obligated to take the actions specifically set forth in the deposit agreement without gross negligence or willful misconduct;
- are not liable if any of us or our respective controlling persons or agents are prevented or forbidden from, or subjected to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement and any ADR, by reason of any provision of any present or future law or regulation of the United States or any state thereof, Cayman Islands or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of our memorandum and articles of association or any provision of or governing any deposited securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, revolutions, rebellions, explosions and computer failure);
- are not liable by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or provisions of or governing deposited securities;
- are not liable for any action or inaction of the depositary, the custodian or us or their or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, any person presenting ordinary shares for deposit or any other person believed by it in good faith to be competent to give such advice or information;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement;
- are not liable for any special, consequential, indirect or punitive damages for any breach of the terms of the deposit agreement, or otherwise;
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper party;
- disclaim any liability for any action or inaction of any of us or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, accountants, any person presenting ordinary shares for deposit, holders and beneficial owners (or authorized representatives) of ADSs, or any person believed in good faith to be competent to give such advice or information; and
- disclaim any liability for inability of any holder to benefit from any distribution, offering, right or other benefit made available to holders of deposited securities but not made available to holders of ADS.

The depositary and any of its agents also disclaim any liability (i) for any failure to carry out any instructions to vote, the manner in which any vote is cast or the effect of any vote or failure to determine that any

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distribution or action may be lawful or reasonably practicable or for allowing any rights to lapse in accordance with the provisions of the deposit agreement, (ii) the failure or timeliness of any notice from us, the content of any information submitted to it by us for distribution to you or for any inaccuracy of any translation thereof, (iii) any investment risk associated with the acquisition of an interest in the deposited securities, the validity or worth of the deposited securities, the credit-worthiness of any third party, (iv) for any tax consequences that may result from ownership of ADSs, ordinary shares or deposited securities, or (v) for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without gross negligence or willful misconduct while it acted as depositary.

In the deposit agreement, we agree to indemnify the depositary under certain circumstances.

### **Jurisdiction and Arbitration**

The laws of the State of New York govern the deposit agreement and the ADSs and we have agreed with the depositary that the federal or state courts in the City of New York shall have exclusive jurisdiction to hear and determine any dispute arising from or in connection with the deposit agreement and that the depositary will have the right to refer any claim or dispute arising from the relationship created by the deposit agreement to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration provisions of the deposit agreement do not preclude you from pursuing claims under federal securities laws in federal courts.

### **Jury Trial Waiver**

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law.

### **Requirements for Depositary Actions**

Before the depositary will issue, deliver or register a transfer of an ADS, split-up, subdivide or combine ADSs, make a distribution on an ADS, or permit withdrawal of ordinary shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities and payment of the applicable fees, expenses and charges of the depositary;
- satisfactory proof of the identity and genuineness of any signature or any other matters contemplated in the deposit agreement; and
- compliance with (A) any laws or governmental regulations relating to the execution and delivery of ADRs or ADSs or to the withdrawal or delivery of deposited securities and (B) such reasonable regulations and procedures as the depositary may establish, from time to time, consistent with the deposit agreement and applicable laws, including presentation of transfer documents.

The depositary may refuse to issue and deliver ADSs or register transfers of ADSs generally when the register of the depositary or our transfer books are closed or at any time if the depositary or we determine that it is necessary or advisable to do so.

### **Your Right to Receive the Shares Underlying Your ADSs**

You have the right to cancel your ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our ordinary shares;
- when you owe money to pay fees, taxes and similar charges;
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities, or
- other circumstances specifically contemplated by Section I.A.(l) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time); or
- for any other reason if the depositary or we determine, in good faith, that it is necessary or advisable to prohibit withdrawals.

The depositary shall not knowingly accept for deposit under the deposit agreement any ordinary shares or other deposited securities required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such ordinary shares.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

### **Direct Registration System**

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register such transfer.

## SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have \_\_\_\_\_ ADSs outstanding, representing approximately \_\_\_\_\_ % of our outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than by our “affiliates” without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the New York Stock Exchange, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

### Lock-up Agreements

We have agreed, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the representatives of the underwriters.

Furthermore, each of our directors, executive officers and existing shareholders has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See “Underwriting.”

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

### Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares sold in this offering, are “restricted securities” as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be

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entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal ordinary shares, assuming the underwriters do not exercise their over-allotment option; or
- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

**Rule 701**

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

## TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or Class A ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

### Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our Class A ordinary shares and ADSs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Class A ordinary shares or ADSs, nor will gains derived from the disposal of our Class A ordinary shares or ADSs be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of the shares or on an instrument of transfer in respect of a share.

### People's Republic of China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. Further to Circular 82, the State Administration of Taxation issued the SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of Circular 82. SAT Bulletin 45 provides for procedures and administration details of determination on resident status and administration on post-determination matters.

We believe that NIO Inc. is not a PRC resident enterprise for PRC tax purposes. NIO Inc. is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that NIO Inc. meets all of the conditions

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above. NIO Inc. is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” There can be no assurance that the PRC government will ultimately take a view that is consistent with us.

If the PRC tax authorities determine that NIO Inc. is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or Class A ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. It is also unclear whether non-PRC shareholders of NIO Inc. would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that NIO Inc. is treated as a PRC resident enterprise. Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in China, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the tax rate in respect to dividends paid by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced tax rate: (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties (For Trial Implementation), which became effective in October 2009, require that non-resident enterprises must obtain approval from the relevant tax authority in order to enjoy the reduced tax rate. There are also other conditions for enjoying the reduced tax rate according to other relevant tax rules and regulations. Accordingly, our subsidiaries may be able to enjoy the 5% tax rate for the dividends it receives from its PRC incorporated subsidiaries if they satisfy the conditions prescribed under SAT Circular 81 and other relevant tax rules and regulations and obtain the approvals as required. However, according to SAT Circular 81, if the relevant tax authorities determine our transactions or arrangements are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable tax rate on dividends in the future.

Provided that our Cayman Islands holding company, NIO Inc., is not deemed to be a PRC resident enterprise, holders of our ADSs and Class A ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. SAT Public Notice 7 further clarifies that, if a non-resident enterprise derives income by acquiring and selling shares in an offshore listed enterprise in the public market, such income will not be subject to PRC tax. However, there is uncertainty as to the application of SAT Circular 698 and SAT Public Notice 7, we and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Circular 698 and SAT Public Notice 7 and we may be required to expend valuable resources to comply with SAT Circular 698 and SAT Public Notice 7 or to establish that we should not be taxed under SAT Circular 698 and SAT Public Notice 7. See “Risk Factors—Risks Related to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.”



## **United States Federal Income Tax Considerations**

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or Class A ordinary shares by a U.S. Holder (as defined below) that acquires our ADSs in this offering and holds our ADSs as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, Medicare, alternative minimum tax, and other non-income tax considerations or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or Class A ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- holders who acquire their ADSs or Class A ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- investors subject to special tax accounting rules as a result of any item of gross income with respect to ADSs or Class A ordinary shares being taken into account in an “applicable financial statement” (as defined in the Code);
- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding ADSs or Class A ordinary shares through such entities.

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of our ADSs or Class A ordinary shares.

### ***General***

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ADSs or Class A ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

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- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or Class A ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or Class A ordinary shares.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of Class A ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

### ***Passive Foreign Investment Company Considerations***

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company’s goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat our consolidated VIEs as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with these entities. As a result, we consolidated their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the consolidated VIEs for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of our VIEs for U.S. federal income tax purposes, and based upon our current and projected income and assets, including the proceeds from this offering, and projections as to the value of our assets, based in part on the projected market value of our ADSs following this offering, we do not expect to be a PFIC for the current taxable year or the foreseeable future. While we do not anticipate being or becoming a PFIC in the current or foreseeable taxable years, no assurance can be given in this regard because the determination of whether we will be or become a PFIC is a factual determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to be classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and other unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account the expected cash proceeds and our anticipated market capitalization following this offering. If our market capitalization subsequently declines, we may be or become classified as a PFIC for the current taxable year or future taxable years. Furthermore, the

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composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where our passive income significantly increases relative to our non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase.

If we are classified as a PFIC for any year during which a U.S. Holder holds our ADSs or Class A ordinary shares, the PFIC rules discussed below under “—Passive Foreign Investment Company Rules” generally will apply to such U.S. Holder for such taxable year, and unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC.

The discussion below under “—Dividends” and “—Sale or Other Disposition” is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below under “—Passive Foreign Investment Company Rules.”

### ***Dividends***

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” any cash distributions (including the amount of any PRC tax withheld) paid on our ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of Class A ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a “dividend” for U.S. federal income tax purposes. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations. A non-corporate U.S. Holder will be subject to tax at the lower capital gain tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (1) our ADSs are readily tradeable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty, (2) we are neither a PFIC nor treated as such with respect to such a U.S. Holder (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. We expect our ADSs, which we have applied to list on the New York Stock Exchange, (but not our Class A ordinary shares) will be readily tradeable on an established securities market in the United States. There can be no assurance, however, that our ADSs will be considered readily tradeable on an established securities market in later years.

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law (see “—People’s Republic of China Taxation”), we may be eligible for the benefits of the United States-PRC income tax treaty. If we are eligible for such benefits, dividends we pay on our Class A ordinary shares, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rates of taxation described in the preceding paragraph.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. Depending on the U.S. Holder’s individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on our ADSs or Class A ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder’s individual facts and circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

### ***Sale or Other Disposition***

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” a U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder’s adjusted tax basis in such ADSs or Class A ordinary shares. Any capital gain or loss will be long-term if the ADSs or Class A ordinary shares have been held for more than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes. Long-term capital gain of non-corporate U.S. Holders is generally eligible for a reduced rate of taxation. In the event that gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in the PRC, such gain may be treated as PRC-source gain under the United States-PRC income tax treaty. If a U.S. Holder is not eligible for the benefits of the income tax treaty or fails to make the election to treat any gain as foreign source, then such U.S. Holder may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or Class A ordinary shares unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

### ***Passive Foreign Investment Company Rules***

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the ADSs or Class A ordinary shares), and (ii) any gain realized on the sale or other disposition of ADSs or Class A ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder’s holding period prior to the first taxable year in which we are classified as a PFIC (each, a “pre-PFIC year”), will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our subsidiaries, our variable interest entities or any of the subsidiaries of our variable interest entities is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, our variable interest entities or any of the subsidiaries of our variable interest entities.

As an alternative to the foregoing rules, a U.S. Holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded. For those purposes, our ADSs, but not our Class A ordinary shares, will be treated as marketable stock upon their listing on the New York Stock Exchange. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include

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as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisors regarding the U.S. federal income tax consequences of owning and disposing of our ADSs or Class A ordinary shares if we are or become a PFIC.

## UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, and UBS Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of ADSs indicated below:

<u>Name</u>	<u>Number of ADSs</u>
Morgan Stanley & Co. LLC	
Goldman Sachs (Asia) L.L.C.	
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Deutsche Bank Securities Inc.	
Citigroup Global Markets Inc.	
Credit Suisse Securities (USA) LLC	
UBS Securities LLC	
WR Securities, LLC	
Total:	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions, such as lack of material adverse change, or any development involving a prospective material adverse change, in the business, financial condition and results of operations of the Company. The underwriters are obligated, severally but not jointly, to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional ADSs at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of ADSs listed next to the names of all underwriters in the preceding table.

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The following table shows the per ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional        ADSs.

	Per ADS	Total	
		No Exercise	Full Exercise
Public offering price	US\$	US\$	US\$
Underwriting discounts and commissions to be paid by:			
Us	US\$	US\$	US\$
Proceeds, before expenses, to us	US\$	US\$	US\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately US\$       . We have agreed to reimburse the underwriters for certain of their expenses in an amount up to US\$       .

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Some of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC.

Goldman Sachs (Asia) L.L.C. will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, Goldman Sachs & Co. LLC. The address of Goldman Sachs (Asia) L.L.C. is 68th Floor, Cheung Kong Center, 2 Queens Road, Central, Hong Kong.

Our ADSs [have been approved] for listing on the New York Stock Exchange under the trading symbol "NIO".

We and our directors, executive officers, and all of our existing shareholders have agreed that, without the prior written consent of        on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our Class A ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for our Class A ordinary shares or ADSs;
- file any registration statement with the Securities and Exchange Commission relating to the offering of our Class A ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for our Class A ordinary shares or ADSs; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our Class A ordinary shares or ADSs.

whether any such transaction described above is to be settled by delivery of our Class A ordinary shares or ADSs or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of [●] on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any of our Class A ordinary shares or ADSs or any security convertible into or exercisable or exchangeable for our Class A ordinary shares or ADSs.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of Class A ordinary shares or ADSs to the underwriters; or

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- the issuance by the Company of Class A ordinary shares or ADSs upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by any person other than us relating to our Class A ordinary shares or ADSs or other securities acquired in open market transactions after the completion of the offering of the ADSs; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, is required or voluntarily made in connection with subsequent sales of our Class A ordinary shares or ADSs or other securities acquired in such open market transactions; or
- [the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Class A ordinary shares or ADSs, provided that (i) such plan does not provide for the transfer of Class A ordinary shares or ADSs during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Class A ordinary shares or ADSs may be made under such plan during the restricted period].

The representatives, in their sole discretion, may release our Class A ordinary shares and ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs pursuant to Regulation M of the Securities Act of 1933. Specifically, the underwriters may sell more ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing ADSs in the open market. In determining the source of ADSs to close out a covered short sale, the underwriters will consider, among other things, the open market price of ADSs compared to the price available under the over-allotment option. The underwriters may also sell ADSs in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The underwriters are not required to engage in these activities and may end any of these activities at any time. If the representatives of the underwriters purchase the ADSs in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electric format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the



future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

### **Pricing of the Offering**

Prior to this offering, there has been no public market for our Class A ordinary shares or the ADSs. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

### **Directed Share Program**

At our request, the underwriters have reserved up to 5% of the ADSs offered by this prospectus for sale, at the initial public offering price, to our directors, officers, employees and other individuals associated with us and members of their families. The sales will be made by UBS Financial Services Inc., a selected dealer affiliated with UBS Securities LLC, an underwriter of this offering, through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved ADSs, but any purchases they do make will reduce the number of ADSs available to the general public. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs offered by this prospectus. Any ADSs sold in the directed share program to our directors, executive officers or shareholders shall be subject to the lock-up agreements described above.

### **Selling Restrictions**

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

#### ***Australia***

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Any offer in Australia of the ADSs may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in

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section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act. The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions. This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any ADSs recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

### ***Canada***

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### ***Cayman Islands***

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

### ***Dubai International Financial Center***

This prospectus relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This prospectus is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs which are the subject of the offering contemplated by this prospectus may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter represents and agrees that with effect from and

including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of ADSs which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe for the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### ***France***

Neither this prospectus nor any other offering material relating to the ADSs described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The ADSs have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the ADSs has been or will be:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the ADSs to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d’investisseurs), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1° -or-2° -or-3° of the French Code monétaire et financier and article 211-2 of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public à l’épargne).

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The ADSs may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

### ***Germany***

This prospectus does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and does therefore not allow any public offering in the Federal Republic of Germany, or Germany, or any other Relevant Member State pursuant to § 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in Germany that would permit a public offering of the ADSs, or distribution of a prospectus or any other offering material relating to the ADSs. In particular, no securities prospectus (Wertpapierprospekt) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany, has been or will be published within Germany, nor has this prospectus been filed with or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for publication within Germany.

Each underwriter will represent, agree and undertake (i) that it has not offered, sold or delivered and will not offer, sell or deliver the ADSs within Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in Germany governing the issue, sale and offering of ADSs, and (ii) that it will distribute in Germany any offering material relating to the ADSs only under circumstances that will result in compliance with the applicable rules and regulations of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

### ***Hong Kong***

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### ***Israel***

This prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters purchasing for their own account, venture capital funds, entities with equity in excess of NIS 50 million and qualified individuals, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors may be required to submit written confirmation that they meet the criteria for one of the categories of investors set forth in the prospectus.

### ***Italy***

The offering of ADSs has not been registered with the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no ADSs may be offered, sold or

delivered, nor copies of this prospectus or any other documents relating to the ADSs may not be distributed in Italy except:

- to “qualified investors,” as referred to in Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended, or the Decree No. 58, and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (“[Regulation No. 16190](#)”) pursuant to Article 34-ter, paragraph 1, letter. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“[Regulation No. 11971](#)”); or
- in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the ADSs or distribution of copies of this prospectus or any other documents relating to the ADSs in the Republic of Italy must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, as amended, or the Banking Law, Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;
- in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and
- in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the ADSs on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Furthermore, ADSs which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly (“[sistematicamente](#)”) distributed on the secondary market in Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Failure to comply with such rules may result in the sale of the ADSs being declared null and void and in the liability of the intermediary transferring the ADSs for any damages suffered by such non-qualified investors.

### ***Japan***

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “[FIEL](#)”) has been made or will be made with respect to the solicitation of the application for the acquisition of the ADSs.

Accordingly, the ADSs have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

### **For Qualified Institutional Investors (“QII”)**

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ADSs constitutes either a “QII only private placement” or a “QII only

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secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ADSs. The ADSs may only be transferred to QIIs.

### For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ADSs constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ADSs. The ADSs may only be transferred en bloc without subdivision to a single investor.

### ***Kuwait***

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 “Regulating the Negotiation of Securities and Establishment of Investment Funds,” its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

### ***PRC***

This prospectus has not been and will not be circulated or distributed in the PRC, and the ADSs may not be offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC or to persons for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, the PRC does not include Taiwan and the Special Administrative Regions of Hong Kong and Macao.

### ***Qatar***

The ADSs have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (“**Qatar**”) in a manner that would constitute a public offering. This prospectus has not been reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange or the Qatar Financial Markets Authority. This prospectus is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

### ***Singapore***

This prospectus has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this prospectus and any other documents or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, or (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the ADSs pursuant to an offer made under section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

**Notification under Section 309B(1)(c) of the SFA:** The ADSs shall be (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### ***Switzerland***

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the ADSs described herein. The ADSs may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the ADSs constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this prospectus nor any other offering or marketing material relating to the ADSs may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, nor the Company nor the ADSs have been or will be filed with or approved by any Swiss regulatory authority. The ADSs are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the ADSs will not benefit from protection or supervision by such authority.

### ***Taiwan***

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

### ***United Arab Emirates (Excluding the Dubai International Financial Center)***

The ADSs have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates, or U.A.E., other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific selling restrictions on prospective investors in the Dubai International Financial Centre set out below.

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The information contained in this prospectus does not constitute a public offer of ADSs in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority, or DFSA. If you do not understand the contents of this prospectus, you should consult an authorized financial adviser. This prospectus is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

***United Kingdom***

Each of the underwriters severally represents, warrants and agrees as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”), received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.



**EXPENSES RELATED TO THIS OFFERING**

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commission, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the New York Stock Exchange market entry and listing fee, all amounts are estimates.

SEC Registration Fee	US\$
FINRA Filing Fee	
New York Stock Exchange Market Entry and Listing Fee	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
<b>Total</b>	<b><u>US\$</u></b>

## LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Latham & Watkins LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the Class A ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder (Hong Kong) LLP. Certain legal matters as to PRC law will be passed upon for us by Han Kun Law Offices and for the underwriters by Grandall Law Firm (Shanghai). Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and Han Kun Law Offices with respect to matters governed by PRC law. Latham & Watkins LLP may rely upon Han Kun Law Offices with respect to matters governed by PRC law.

## **EXPERTS**

The financial statements as of December 31, 2016 and 2017, and for each of the two years in the two year period ended December 31, 2017 and the related financial statement schedule included in this prospectus, have been audited by PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements and financial statement schedule have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The offices of PricewaterhouseCoopers Zhong Tian LLP are located at 11/F PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai 200021, the People's Republic of China.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying Class A ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov) or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated combined financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, if we so request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of NIO Inc.:

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of NIO Inc. and its subsidiaries (the “Company”) as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive loss, of shareholders’ deficit and of cash flows for each of the two years in the period ended December 31, 2017, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Zhong Tian LLP

PricewaterhouseCoopers Zhong Tian LLP  
Shanghai, the People’s Republic of China

April 27, 2018, except for the presentation of the consolidated statements of cash flows as described in note 2(g), which is as of June 7, 2018.

We have served as the Company’s auditor since 2015.

NIO INC.  
**CONSOLIDATED BALANCE SHEETS**  
 (All amounts in thousands, except for share and per share data)

	As of December 31,		
	2016 RMB	2017 RMB	2017 USD Note 2(e)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	581,296	7,505,954	1,134,327
Restricted cash	—	10,606	1,603
Amounts due from related parties	1,680	29,556	4,467
Inventories	—	89,464	13,520
Prepayments and other current assets	292,051	674,425	101,921
<b>Total current assets</b>	<b>875,027</b>	<b>8,310,005</b>	<b>1,255,838</b>
Non-current assets:			
Long-term restricted cash	15,335	14,293	2,160
Property, plant and equipment, net	833,004	1,911,013	288,799
Intangible assets, net	6,345	4,457	674
Long-term investments	—	47,125	7,122
Amounts due from related parties	—	50,000	7,556
Other non-current assets	40,767	131,141	19,818
<b>Total non-current assets</b>	<b>895,451</b>	<b>2,158,029</b>	<b>326,129</b>
<b>Total assets</b>	<b>1,770,478</b>	<b>10,468,034</b>	<b>1,581,967</b>
<b>LIABILITIES</b>			
Current liabilities:			
Short-term borrowings	—	28,787	4,350
Trade payable	—	234,011	35,365
Amounts due to related parties	20,837	40,069	6,055
Taxes payable	20,405	30,055	4,542
Accruals and other liabilities	685,323	1,285,592	194,284
<b>Total current liabilities</b>	<b>726,565</b>	<b>1,618,514</b>	<b>244,596</b>
Non-current liabilities:			
Long-term borrowings	37,500	642,401	97,082
Other non-current liabilities	61,199	141,113	21,326
<b>Total non-current liabilities</b>	<b>98,699</b>	<b>783,514</b>	<b>118,408</b>
<b>Total liabilities</b>	<b>825,264</b>	<b>2,402,028</b>	<b>363,004</b>
<b>Commitments and contingencies (Note 24)</b>			

**NIO INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(All amounts in thousands, except for share and per share data)

	As of December 31,		
	2016 RMB	2017 RMB	2017 USD Note 2(e)
<b>MEZZANINE EQUITY</b>			
<b>Series A-1 and A-2 convertible redeemable preferred shares</b> (USD0.00025 par value; 295,000,000 authorized, issued and outstanding as of December 31, 2016 and 2017)	2,810,189	5,011,731	757,390
<b>Series A-3 convertible redeemable preferred shares</b> (USD0.00025 par value; 31,720,364 authorized, 24,210,431 issued and outstanding as of December 31, 2016 and 2017)	306,678	427,129	64,549
<b>Series B convertible redeemable preferred shares</b> (USD0.00025 par value; 114,867,321 authorized as of December 31, 2016 and 2017; 102,144,675 and 114,867,321 issued and outstanding as of December 31, 2016 and 2017, respectively)	2,014,903	2,294,980	346,826
<b>Series C convertible redeemable preferred shares</b> (USD0.00025 par value; nil and 167,142,990 authorized, nil and 166,205,830 issued and outstanding as of December 31, 2016 and 2017, respectively)	—	4,454,596	673,195
<b>Series D convertible redeemable preferred shares</b> (USD0.00025 par value; nil and 240,000,000 authorized, nil and 213,585,003 issued and outstanding as of December 31, 2016 and 2017, respectively)	—	7,547,760	1,140,645
Receivable from a holder of Series A-1 convertible redeemable preferred shares	(270,196)	—	—
Receivable from a holder of Series D convertible redeemable preferred shares	—	(78,410)	(11,850)
<b>Total mezzanine equity</b>	<b>4,861,574</b>	<b>19,657,786</b>	<b>2,970,755</b>



**NIO INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(All amounts in thousands, except for share and per share data)**

	As of December 31,		
	2016	2017	2017
	RMB	RMB	USD
			Note 2(e)
<b>SHAREHOLDERS' DEFICIT</b>			
Ordinary shares (USD0.00025 par value; 1,558,412,315 and 1,151,269,325 shares authorized as of December 31, 2016 and 2017, respectively; 32,003,810 and 36,727,350 shares issued and 17,773,459 and 23,850,343 shares outstanding as of December 31, 2016 and 2017, respectively)	52	60	9
Treasury shares	(9,186)	(9,186)	(1,388)
Additional paid in capital	70,850	131,907	19,934
Accumulated other comprehensive income/(loss)	110,452	(13,922)	(2,104)
Accumulated deficit	(4,076,945)	(11,711,948)	(1,769,952)
<b>Total NIO Inc. shareholders' (deficit)/equity</b>	<b>(3,904,777)</b>	<b>(11,603,089)</b>	<b>(1,753,501)</b>
Non-controlling interests	(11,583)	11,309	1,709
<b>Total shareholders' (deficit)/equity</b>	<b>(3,916,360)</b>	<b>(11,591,780)</b>	<b>(1,751,792)</b>
<b>Total liabilities, mezzanine equity and shareholders' (deficit)/equity</b>	<b>1,770,478</b>	<b>10,468,034</b>	<b>1,581,967</b>

The accompanying notes are an integral part of these consolidated financial statements.

NIO INC.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(All amounts in thousands, except for share and per share data)

	For the Year ended December 31,		
	2016	2017	2017
	RMB	RMB	USD
			Note 2(e)
Operating expenses:			
Research and development	(1,465,353)	(2,602,889)	(393,358)
Selling, general and administrative	(1,137,187)	(2,350,707)	(355,247)
<b>Total operating expenses</b>	<b>(2,602,540)</b>	<b>(4,953,596)</b>	<b>(748,605)</b>
<b>Loss from operations</b>	<b>(2,602,540)</b>	<b>(4,953,596)</b>	<b>(748,605)</b>
Interest income	27,556	18,970	2,867
Interest expenses	(55)	(18,084)	(2,733)
Share of losses of equity investee	—	(5,375)	(812)
Investment income	2,670	3,498	529
Other income/(loss), net	3,429	(58,681)	(8,869)
<b>Loss before income tax expense</b>	<b>(2,568,940)</b>	<b>(5,013,268)</b>	<b>(757,623)</b>
Income tax expense	(4,314)	(7,906)	(1,195)
<b>Net loss</b>	<b>(2,573,254)</b>	<b>(5,021,174)</b>	<b>(758,818)</b>
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)
Net loss attributable to non-controlling interests	36,938	36,440	5,507
<b>Net loss attributable to ordinary shareholders of NIO Inc.</b>	<b>(3,517,549)</b>	<b>(7,561,669)</b>	<b>(1,142,747)</b>
<b>Net loss</b>	<b>(2,573,254)</b>	<b>(5,021,174)</b>	<b>(758,818)</b>
<b>Other comprehensive loss</b>			
Foreign currency translation adjustment, net of nil tax	55,493	(124,374)	(18,796)
<b>Total other comprehensive income/(loss)</b>	<b>55,493</b>	<b>(124,374)</b>	<b>(18,796)</b>
<b>Total comprehensive loss</b>	<b>(2,517,761)</b>	<b>(5,145,548)</b>	<b>(777,614)</b>
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)
Net loss attributable to non-controlling interests	36,938	36,440	5,507
<b>Comprehensive loss attributable to ordinary shareholders of NIO Inc.</b>	<b>(3,462,056)</b>	<b>(7,686,043)</b>	<b>(1,161,543)</b>
<b>Weighted average number of ordinary shares used in computing net loss per share</b>			
Basic and diluted	16,697,527	21,801,525	21,801,525
<b>Net loss per share attributable to ordinary shareholders</b>			
Basic and diluted	(210.66)	(346.84)	(52.42)

The accompanying notes are an integral part of these consolidated financial statements.

NIO INC.

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT**  
(All amounts in thousands, except for share and per share data)

	Ordinary Shares		Treasury Shares		Additional	Accumulated		Total	Non-	Total
	Shares	Par Value	Shares	Amount	Paid in Capital	Other Comprehensive Income/(loss)	Accumulated Deficit	Shareholders' Deficit	Controlling Interests	Equity
<b>Balance as of December 31, 2015</b>	28,900,001	47	(18,400,000)	(9,186)	13,748	54,959	(559,396)	(499,828)	—	(499,828)
Accretion on Series A-1 and A-2 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(798,481)	(798,481)	—	(798,481)
Accretion on Series A-3 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(29,983)	(29,983)	—	(29,983)
Accretion on Series B convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(152,769)	(152,769)	—	(152,769)
Grant of restricted shares	3,103,809	5	(3,103,809)	—	—	—	—	5	—	5
Vesting of restricted shares			7,273,458	—	39,104	—	—	39,104	—	39,104
Vesting of share options	—	—	—	—	17,998	—	—	17,998	—	17,998
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	25,355	25,355
Foreign currency translation adjustment	—	—	—	—	—	55,493	—	55,493	—	55,493
Net loss	—	—	—	—	—	—	(2,536,316)	(2,536,316)	(36,938)	(2,573,254)
<b>Balance as of December 31, 2016</b>	<u>32,003,810</u>	<u>52</u>	<u>(14,230,351)</u>	<u>(9,186)</u>	<u>70,850</u>	<u>110,452</u>	<u>(4,076,945)</u>	<u>(3,904,777)</u>	<u>(11,583)</u>	<u>(3,916,360)</u>

NIO INC.

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT**  
(All amounts in thousands, except for share and per share data)

	Ordinary shares		Treasury Shares		Additional paid in capital	Accumulated other comprehensive income/(loss)	Accumulated deficit	Total shareholders' deficit	Non- Controlling interests	Total equity
	Shares	Par value	Shares	Amount						
<b>Balance as of December 31, 2016</b>	32,003,810	52	(14,230,351)	(9,186)	70,850	110,452	(4,076,945)	(3,904,777)	(11,583)	(3,916,360)
Accretion on Series A-1 and A-2 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(2,205,227)	(2,205,227)	—	(2,205,227)
Accretion on Series A-3 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(120,451)	(120,451)	—	(120,451)
Accretion on Series B convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(40,011)	(40,011)	—	(40,011)
Accretion on Series C convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(56,283)	(56,283)	—	(56,283)
Accretion on Series D convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(154,963)	(154,963)	—	(154,963)
Grant of restricted shares	2,000,000	3	(2,000,000)	—	—	—	—	3	—	3
Exercise of share options	2,723,540	5	—	—	6,207	—	—	6,212	—	6,212
Vesting of restricted shares	—	—	3,353,344	—	24,723	—	—	24,723	—	24,723
Vesting of share options	—	—	—	—	30,127	—	—	30,127	—	30,127
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	13,376	13,376
Acquisition of additional interests in subsidiaries from non-controlling interests	—	—	—	—	—	—	(73,334)	(73,334)	45,956	(27,378)
Foreign currency translation adjustment	—	—	—	—	—	(124,374)	—	(124,374)	—	(124,374)
Net loss	—	—	—	—	—	—	(4,984,734)	(4,984,734)	(36,440)	(5,021,174)
<b>Balance as of December 31, 2017</b>	<u>36,727,350</u>	<u>60</u>	<u>(12,877,007)</u>	<u>(9,186)</u>	<u>131,907</u>	<u>(13,922)</u>	<u>(11,711,948)</u>	<u>(11,603,089)</u>	<u>11,309</u>	<u>(11,591,780)</u>

The accompanying notes are an integral part of these consolidated financial statements.

NIO INC.  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(All amounts in thousands, except for share and per share data)

	For the Year ended December 31,		
	2016 RMB	2017 RMB	2017 USD Note 2(e)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	(2,573,254)	(5,021,174)	(758,818)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	46,087	167,858	25,367
Foreign exchange (gain)/loss	(5,540)	49,503	7,481
Share-based compensation expenses	76,684	90,296	13,646
Investment income	(2,670)	(3,498)	(529)
Share of losses of equity investee	—	5,375	812
Loss on disposal of property, plant and equipment	267	6,192	936
Changes in operating assets and liabilities:			
Prepayments and other current assets	(209,784)	(404,762)	(61,169)
Inventories	—	(89,464)	(13,520)
Other non-current assets	(20,286)	(66,698)	(10,080)
Taxes payable	15,633	9,650	1,458
Accruals and other liabilities	410,100	603,374	91,184
Other non-current liabilities	61,199	78,629	11,883
Net cash used in operating activities	(2,201,564)	(4,574,719)	(691,349)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets	(654,455)	(1,113,893)	(168,336)
Purchase of held for trading securities	(2,346,261)	(1,337,413)	(202,115)
Sale of held for trading securities	3,118,559	1,340,911	202,643
Acquisitions of equity investees	—	(52,500)	(7,934)
Acquisition of additional interests in subsidiaries from non-controlling interests	—	(27,378)	(4,137)
Net cash provided by/(used in) investing activities	117,843	(1,190,273)	(179,879)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repurchase of ordinary shares	(8,408)	—	—
Proceeds from exercise of stock options	—	6,207	938
Proceeds from issuance of series A convertible redeemable preferred shares, net of issuance costs	401,478	273,686	41,360
Proceeds from issuance of series B convertible redeemable preferred shares, net of issuance costs	1,862,134	240,066	36,280
Proceeds from issuance of series C convertible redeemable preferred shares, net of issuance costs	—	4,398,313	664,689
Proceeds from issuance of series D convertible redeemable preferred shares, net of issuance costs	—	7,314,387	1,105,377
Capital injection from non-controlling interests	—	13,376	2,021
Proceeds from borrowings	37,500	633,688	95,765
Proceeds from issuance of convertible promissory note	—	312,624	47,245
Repayment of convertible promissory note	—	(325,013)	(49,117)

NIO INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(All amounts in thousands, except for share and per share data)

	For the Year ended December 31,		
	2016	2017	2017
	RMB	RMB	USD
			Note 2(e)
Net cash provided by financing activities	2,292,704	12,867,334	1,944,558
Effects of exchange rate changes on cash and cash equivalents	40,539	(168,120)	(25,407)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>249,522</b>	<b>6,934,222</b>	<b>1,047,923</b>
Cash, cash equivalents and restricted cash at beginning of the year	347,109	596,631	90,167
Cash, cash equivalents and restricted cash at end of the year	596,631	7,530,853	1,138,090
<b>NON-CASH FINANCING ACTIVITIES</b>			
Issuance of series D convertible redeemable preferred shares	—	85,553	12,929
Capital injection from non-controlling interests in the form of net assets	25,355	—	—
	25,355	85,553	12,929
<b>Supplemental Disclosure</b>			
Interest paid	55	15,434	2,332
Income taxes paid	—	1,129	171

The accompanying notes are an integral part of these consolidated financial statements.

**NIO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

**1. Organization and Nature of Operations**

NIO Inc. (“NIO”, or “the Company”) was incorporated under the laws of the Cayman Islands in November, 2014, as an exempted company with limited liability. The Company was formerly known as NextCar Inc.. It changed its name to NextEV Inc. in December, 2014, and then changed to NIO Inc. in July, 2017. The Company, its subsidiaries and consolidated variable interest entities (“VIEs”) are collectively referred to as “the Group”.

The Group designs and develops high-performance fully electric vehicles. It launched the first volume manufactured electric vehicle, the ES8, to the public in December 2017. The Group jointly manufactures ES8 through strategic collaboration with other Chinese vehicle manufacturers. The Group also plans to offer energy and service packages to its users. As of December 31, 2016 and 2017, its primary operations are conducted in the People’s Republic of China (“PRC”) and mainly focused on research and development activities. The Company’s principal subsidiaries and VIEs are as follows:

<b>Subsidiaries</b>	<b>Equity interest held</b>	<b>Place and date of incorporation or date of acquisition</b>	<b>Principal activities</b>
NIO NextEV Limited (“NIO HK”) (formerly known as NextEV Limited)	100%	Hong Kong, February 2015	Investment holding
NIO GmbH (formerly known as NextEV GmbH)	100%	Germany, May 2015	Design and technology development
NIO Co., Ltd. (“NIO SH”) (formerly known as NextEV Co., Ltd.)	100%	Shanghai, PRC, May 2015	Headquarter and technology development
NIO USA, Inc. (“NIO US”) (formerly known as NextEV USA, Inc.)	100%	United States, November 2015	Technology development
XPT Limited (“XPT”)	100%	Hong Kong, December 2015	Investment holding
NIO NextEV (UK) Ltd. (formerly known as NextEV (UK) Limited)	100%	United Kingdom, February 2016	Marketing and technology development
NIO Sport Limited (“NIO Sport”) (formerly known as NextEV NIO Sport Limited)	100%	Hong Kong, April 2016	Racing management
XPT Technology Limited (“XPT Technology”)	100%	Hong Kong, April 2016	Investment holding
XPT Inc. (“XPT US”)	100%	United States, April 2016	Technology development
XPT (Jiangsu) Investment Co., Ltd. (“XPT Jiangsu”)	100%	Jiangsu, PRC, May 2016	Investment holding
Shanghai XPT Technology Limited	100%	Shanghai, PRC, May 2016	Technology development
XPT (Nanjing) E-Powertrain Technology Co., Ltd.	100%	Nanjing, PRC, July 2016	Manufacturing of E-Powertrain
XPT (Nanjing) Energy Storage System Co., Ltd. (“XPT NJES”)	100%	Nanjing, PRC, October 2016	Manufacturing of battery pack
NIO Power Express Limited (“PE HK”)	100%	Hong Kong, January 2017	Investment holding

NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(All amounts in thousands, except for share and per share data)

Subsidiaries	Equity interest held	Place and date of incorporation or date of acquisition	Principal activities
NIO User Enterprise Limited (“UE HK”)	100%	Hong Kong, February 2017	Investment holding
Shanghai NIO Sales and Services Co., Ltd. (“UE CNHC”)	100%	Shanghai, PRC, March 2017	Investment holding and sales and after sales management
NIO Energy Investment (Hubei) Co., Ltd. (“PE CNHC”)	100%	Wuhan PRC, April 2017	Investment holding
Wuhan NIO Energy Co., Ltd. (“PE WHJV”)	100%	Wuhan, PRC, May 2017	Investment holding
XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd. (“XPT NJWL”)	50%	Nanjing, PRC, June 2017	Manufacturing of components

VIE	Economic interest held	Place and date of incorporation or date of acquisition
Prime Hubs Limited (“Prime Hubs”)	100%	BVI, October 2014
NIO Technology Co., Ltd. (“NIO SHTECH”) (formerly known as Shanghai NextEV Technology Co., Ltd.)	100%	Shanghai, PRC, November 2014

In accordance with the Article of Association of XPT NJWL, the Company has the power to control the board of directors of XPT NJWL to unilaterally govern the financial and operating policies of XPT NJWL and the Non-controlling shareholder does not have substantive participating rights, therefore, the Group consolidates this entity.

**Variable interest entity**

NIO SHTECH was established by Li Bin and Qin Lihong (the “Nominee Shareholders”) in November, 2014. In 2015, NIO SH, NIO SHTECH, and the Nominee Shareholders of NIO SHTECH entered into a series of contractual agreements, including a loan agreement, an equity pledge agreement, exclusive call option agreement and power of attorney that irrevocably authorized the Nominee Shareholders designated by NIO SH to exercise the equity owner’s rights over NIO SHTECH. These agreements provide the Company, as the only shareholder of NIO SH, with effective control over NIO SHTECH to direct the activities that most significantly impact NIO SHTECH’s economic performance and enable the Company to obtain substantially all of the economic benefits arising from NIO SHTECH. Management concluded that NIO SHTECH is a variable interest entity of the Company and the Company is the ultimate primary beneficiary of NIO SHTECH and shall consolidate the financial results of NIO SHTECH in the Group’s consolidated financial statements. As of December 31, 2016 and 2017, NIO SHTECH did not have significant operations, nor any material assets or liabilities.

In October 2014, Prime Hubs, a British Virgin Islands (“BVI”) incorporated company and a consolidated variable interest entity of the Group, was established by the shareholders of the Group to facilitate the adoption of the Company’s employee stock incentive plans. The Company entered into a management agreement with Prime Hubs and Li Bin. The agreement provides the company with effective control over Prime Hubs and enables the Company to obtain substantially all of the economic benefits arising from Prime Hubs. As of December 31, 2016 and 2017, Prime Hubs held 26,900,001 ordinary shares of the Company.



NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

***Liquidity***

The Group has been incurring losses from operations since inception. The Group incurred net losses of RMB2,573,254 and RMB5,021,174 in the years ended December 31, 2016 and 2017, respectively. Accumulated deficit amounted to RMB4,076,945 and RMB11,711,948 as of December 31, 2016 and 2017, respectively. Net cash used in operating activities was approximately RMB2,201,564 and RMB4,574,719 for the years ended December 31, 2016 and 2017, respectively. As of December 31, 2017, the Group's working capital was RMB6,691,491.

The Group's liquidity is based on its ability to generate cash from operating activities, obtain capital financing from equity interest investors and borrow funds on favorable economic terms to fund its general operations and capital expansion needs. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenue while controlling operating cost and expenses to generate positive operating cash flows and obtaining funds from outside sources of financing to generate positive financing cash flows. As of December 31, 2017, the Group's balance of cash and cash equivalents was RMB7,505,954. In addition, up to April 27, 2018, the Company has entered into loan facility agreements with several banks in China for a total principal amount of RMB3,730 million, which will be due by May 17, 2022. Moreover, the Group can adjust the pace of its operation expansion and control the operating expenses of the Group.

Based on cash flows projection from operating and financing activities and existing balance of cash and cash equivalents, management is of the opinion that the Group has sufficient funds for sustainable operations and it will be able to meet its payment obligations from operations and debt related commitments for the next twelve months from the issuance of the consolidated financial statements. Based on the above considerations, the Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

**2. Summary of Significant Accounting Policies**

***(a) Basis of presentation***

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

***(b) Principles of consolidation***

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the VIE for which the Company is the ultimate primary beneficiary.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors (the "Board"); to cast majority of votes at the meeting of the Board or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

## NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

All significant transactions and balances between the Company, its subsidiaries and the VIE have been eliminated upon consolidation. The non-controlling interests in consolidated subsidiaries are shown separately in the consolidated financial statements.

***(c) Use of estimates***

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported period in the consolidated financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements mainly include, but are not limited to, the valuation and recognition of share-based compensation arrangements, depreciable lives of property, equipment and software, useful life of intangible assets, assessment for impairment of long-lived assets and intangible assets, inventory valuation for excess and obsolete inventories, lower of cost and net realizable value of inventories, valuation of deferred tax assets as well as redemption value of the convertible redeemable preferred shares. Actual results could differ from those estimates.

***(d) Functional currency and foreign currency translation***

The Group's reporting currency is the Renminbi ("RMB"). The functional currency of the Company and its subsidiaries which are incorporated in HK is United States dollars ("USD"), except NIO Sport which operates mainly in United Kingdom and uses Great Britain pounds ("GBP"). The functional currencies of the other subsidiaries and the VIE are their respective local currencies. The determination of the respective functional currency is based on the criteria set out by ASC 830, *Foreign Currency Matters*.

Transactions denominated in currencies other than in the functional currency are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the applicable exchange rates at the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are re-measured using the exchange rates at the dates of the initial transactions. Exchange gains or losses arising from foreign currency transactions are included in the consolidated statements of comprehensive loss.

The financial statements of the Group's entities of which the functional currency is not RMB are translated from their respective functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB at the exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Income and expense items are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded in other comprehensive (loss)/income in the consolidated statements of comprehensive gain or loss, and the accumulated foreign currency translation adjustments are presented as a component of accumulated other comprehensive loss in the consolidated statements of convertible redeemable preferred shares and shareholders' deficit. Total foreign currency translation adjustment (gains)/losses were RMB(55,493) and RMB124,374 for the years ended December 31, 2016 and 2017, respectively. The grant-date fair value of the Group's share-based compensation expenses is reported in USD as the respective valuation is conducted in USD as the shares are denominated in USD.

NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

***(e) Convenience translation***

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive loss and consolidated statements of cash flows from RMB into USD as of and for the year ended December 31, 2017 are solely for the convenience of the reader and were calculated at the rate of USD1.00 = RMB6.6171, representing the noon buying rate in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on June 29, 2018. No representation is made that the RMB amounts represent or could have been, or could be, converted, realized or settled into USD at that rate on June 30, 2018, or at any other rate.

***(f) Fair value***

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Group considers the principal or most advantageous market in which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.

Level 3—Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, restricted cash, short-term investments, trade receivable, amounts due from related parties, prepayments and other current assets, trade payable, amounts due to related parties, short-term borrowings, taxes payable, accruals and other liabilities. As of December 31, 2016 and 2017, the carrying values of these financial instruments are approximated to their fair values due to the short-term maturity of these instruments.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates. Below is a description of the valuation techniques that the Group uses to measure the fair value of assets that the Group reports on its consolidated balance sheets at fair value on a recurring basis.

*Time deposits.* The Group values its time deposits held in certain bank accounts using quoted prices for securities with similar characteristics and other observable inputs, and accordingly, the Group classifies the valuation techniques that use these inputs as Level 2.

NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

*Short-term borrowings.* The rates of interest under the loan agreements with the lending banks were determined based on the prevailing interest rates in the market. The Group classifies the valuation techniques that use these inputs as Level 2.

*Short-term receivables and payables.* Trade receivable and prepayments and other current assets are financial assets with carrying values that approximate fair value due to their short term nature. Trade payable, accruals and other liabilities are financial liabilities with carrying values that approximate fair value due to their short term nature.

*Prepayments and other assets in non-current assets.* Prepayments and other assets in non-current assets are financial assets with carrying values that approximate fair value due to the change in fair value after considering the discount rate. The Group estimated fair values of non-current prepayments and other assets using the discount cash flow method.

**(g) Cash and cash equivalents**

Cash and cash equivalents represent cash on hand, time deposits and highly-liquid investments placed with banks or other financial institutions, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less. The Group adopted ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)* for interim periods beginning after January 1, 2018, using a retrospective method to each period presented. The changes in restricted cash in the consolidated cash flow were RMB15,335 and RMB9,564 for the years ended December 31, 2016 and 2017, respectively, which were no longer presented within investing activities and were retrospectively included in the changes of cash, cash equivalents and restricted cash as required.

**(h) Restricted cash**

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the Consolidated Balance Sheets, and is not included in the total cash and cash equivalents in the Consolidated Statements of Cash Flows. The Group's restricted cash mainly represents (a) the secured deposits held in designated bank accounts for issuance of bank credit card; (b) time deposit that are pledged for property lease.

**(i) Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is calculated on the average basis and includes all costs to acquire and other costs to bring the inventories to their present location and condition. The Group records inventory write-downs for excess or obsolete inventories based upon assumptions on current and future demand forecasts. If the inventory on hand is in excess of future demand forecast, the excess amounts are written off. The Group also reviews inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the determination of the estimated selling price of the vehicles less the estimated cost to convert inventory on hand into a finished product. Once inventory is written-down, a new, lower-cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Should estimates of future selling prices or production costs change, additional and potentially material increases to this reserve may be required. A small change in the estimates may result in a material charge to the reported financial results.

**(j) Trading securities**

Trading securities are comprised of bonds and are all designated as trading securities as they have been acquired principally for the purpose of selling in the near term. They are recognized on the trade date, when the

## NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

Group enters into contractual arrangements with counterparties, and are normally derecognized when sold. They are initially measured at fair value, with transaction costs taken to the statements of operations and comprehensive loss. Subsequent changes in their fair values and interest are recognized in the statements of comprehensive loss.

***(k) Property, plant and equipment, net***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Property and equipment are depreciated at rates sufficient to write off their costs less impairment and residual value, if any, over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

The estimated useful lives are as follows:

	Useful lives
Motor vehicles	5 years
Production facilities	10 years
Computer and electronic equipment	3 years
Purchased software	3 years
R&D equipment	5 years
Office equipment	5 years
Leasehold improvements	Shorter of the estimated useful life or remaining lease term
Others	3 to 5 years

The cost of maintenance and repairs is expensed as incurred, whereas the cost of renewals and betterment that extends the useful lives of property, plant and equipment is capitalized as additions to the related assets. Interest expense on outstanding debt is capitalized during the period of significant capital asset construction. Capitalized interest on construction-in-progress is included within property, plant and equipment and is amortized over the life of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from their respective accounts, and any gain or loss on such sale or disposal is reflected in the statements of comprehensive loss.

***(l) Intangible assets, net***

Intangible assets are carried at cost less accumulated amortization and impairment, if any. Intangible assets are amortized using the straight-line method over the estimated useful lives as below:

	Useful lives
License	3 years
Domain names and others	5 years

The estimated useful lives of amortized intangible assets are reassessed if circumstances occur that indicate the original estimated useful lives have changed.

***(m) Long-term investments***

As of December 31, 2017, the Group's long-term investments was accounted for using equity method. Investments in entities in which the Group can exercise significant influence and holds an investment in voting

## NIO INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)**

common stock or in-substance common stock (or both) of the investee but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323, *Investments—Equity Method and Joint Ventures* (“ASC 323”). Under the equity method, the Group initially records its investments at cost. The Group subsequently adjusts the carrying amount of the investments to recognize the Group’s proportionate share of each equity investee’s net income or loss into earnings after the date of investment. The Group evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

***(n) Impairment of long-lived assets***

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment by comparing carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment charge was recognized for the years ended December 31, 2016 and 2017.

***(o) Revenue recognition***

The Group did not generate revenue in 2016 and 2017. It launched the first volume manufactured electric vehicle, the ES8, to the public in December 2017 and will start making deliveries to users in June 2018. The Group’s revenue is expected to be primarily derived from sales of the electrical vehicles and provision of charging solutions and service packages to its users.

***(p) Customer incentives***

The Group offers customer loyalty program points as customer incentives. For customer incentives offered where prior purchase is not required, the Group accounts for them as selling and marketing expense when the points are generated. Unredeemed incentives are recorded in other current liabilities in the consolidated balance sheet until they are redeemed for merchandise. The Group estimates liabilities under the customer loyalty program based on accumulated customer incentives, and the estimate of probability of redemption in accordance with the historical redemption pattern. As the Group currently does not have sufficient historical information for now to determine point forfeitures or breakage, the Group recorded estimated liabilities for all points earned by customers. As of December 31, 2016 and 2017, liabilities recorded related to membership points are nil and RMB16,460, respectively.

***(q) Sales and marketing expenses***

Sales and marketing expenses consist primarily of marketing and promotional expenses, salaries and other compensation-related expenses to sales and marketing personnel. Advertising expenses consist primarily of costs for the promotion of corporate image and product marketing. The Group expenses all advertising costs as incurred and classifies these costs under sales and marketing expenses. For the years ended Dec 31, 2016 and 2017, advertising costs totalled RMB4,095 and RMB63,427, respectively.

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Certain costs associated with developing internal-use software are capitalized when such costs are incurred within the application development stage of software development. Other than that, all costs associated with research and development (“R&D”) are expensed as incurred. R&D expenses are primarily comprised of charges for R&D and consulting work performed by third parties; salaries, bonuses, share-based compensation, and benefits for those employees engaged in research, design and development activities; costs related to design tools; license expenses related to intellectual property, supplies and services; and allocated costs, including depreciation and amortization, rental fees, and utilities.

***(s) General and administrative expenses***

General and administrative expenses consist primarily of salaries, bonuses, share-based compensation and benefits for employees involved in general corporate functions and those not specifically dedicated to research and development activities, depreciation and amortization of fixed assets which are not used in research and development activities, legal and professional services fees, rental and other general corporate related expenses.

***(t) Employee benefits***

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and VIE of the Group make contributions to the government for these benefits based on certain percentages of the employees’ salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Total amounts of such employee benefit expenses, which were expensed as incurred, were approximately RMB105,955 and RMB231,070 for the years ended December 31, 2016 and 2017, respectively.

***(u) Government grants***

The Group’s PRC based subsidiaries received government subsidies from certain local governments. The Group’s government subsidies consisted of specific subsidies and other subsidies. Specific subsidies are subsidies that the local government has provided for a specific purpose, such as product development and renewal of production facilities. Other subsidies are the subsidies that the local government has not specified its purpose for and are not tied to future trends or performance of the Group; receipt of such subsidy income is not contingent upon any further actions or performance of the Group and the amounts do not have to be refunded under any circumstances. The Group recorded specific purpose subsidies as advances payable when received. For specific subsidies, upon government acceptance of the related project development or asset acquisition, the specific purpose subsidies are recognized to reduce related R&D expenses or the cost of asset acquisition. Other subsidies are recognized as other income upon receipt as further performance by the Group is not required.

***(v) Income taxes***

Current income taxes are recorded in accordance with the regulations of the relevant tax jurisdiction. The Group accounts for income taxes under the asset and liability method in accordance with ASC 740, *Income Tax*. Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax basis, and operating loss carry-forwards. Deferred tax assets and liabilities are measured using

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enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of comprehensive loss in the period of change. Valuation allowances are established when necessary to reduce the amount of deferred tax assets if it is considered more likely than not that amount of the deferred tax assets will not be realized.

The Group records liabilities related to uncertain tax positions when, despite the Group's belief that the Group's tax return positions are supportable, the Group believes that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense. The Group did not recognize uncertain tax positions as of December 31, 2016 and 2017.

***(w) Share-based compensation***

The Company grants restricted shares ("RS") and share options to eligible employees and non-employee consultants and accounts for share-based compensation in accordance with ASC 718, Compensation—*Stock Compensation* and ASC 505-50 *Equity-Based Payments to Non-Employees*.

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses a) immediately at grant date if no vesting conditions are required; or b) for share options or restricted shares granted with only service conditions, using the straight-line vesting method, net of estimated forfeitures, over the vesting period; or c) for share options granted with service conditions and the occurrence of an initial public offering ("IPO") as performance condition, cumulative share-based compensation expenses for the options that have satisfied the service condition will be recorded upon the completion of the IPO, using the graded vesting method; or d) for share options where the underlying share is liability within the scope of ASC 480, using graded vesting method, net of estimated forfeitures, over the vesting period, and remeasure the fair value of the award at each reporting period end until the award is settled.

All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Share-based compensation expenses for share options and restricted shares granted to non-employees are measured at fair value at the earlier of the performance commitment date or the date service is completed, and recognized over the period during which the service is provided. The Group applies the guidance in ASC 505-50 to measure share options and restricted shares granted to non-employees based on the then-current fair value at each reporting date.

The fair value of the restricted shares were assessed using the income approaches / market approaches, with a discount for lack of marketability given that the shares underlying the awards were not publicly traded at the time of grant. This assessment required complex and subjective judgments regarding the Company's projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants were made. In addition, the binomial option-pricing model is used to measure the value of share options. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, actual and projected employee and non-employee share option exercise behavior, risk-free interest rates and expected dividends. The fair value of these awards was determined taking into account independent valuation advice.



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The assumptions used in share-based compensation expense recognition represent management's best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period. Moreover, the estimates of fair value of the awards are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company for accounting purposes.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Group uses historical data to estimate pre-vesting option and records share-based compensation expenses only for those awards that are expected to vest.

**(x) Comprehensive income/(loss)**

The Group applies ASC 220, *Comprehensive Income*, with respect to reporting and presentation of comprehensive loss and its components in a full set of financial statements. Comprehensive loss is defined to include all changes in equity of the Group during a period arising from transactions and other event and circumstances except those resulting from investments by shareholders and distributions to shareholders. For the years presented, the Group's comprehensive loss includes net loss and other comprehensive (loss)/income, which mainly consists of the foreign currency translation adjustment that have been excluded from the determination of net loss.

**(y) Leases**

Leases are classified at the inception date as either a capital lease or an operating lease. As the lessee, a lease is a capital lease if any of the following conditions exists: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life, or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease.

All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. The Group has not capitalized leases for the years ended December 31, 2016 and 2017. Payments made under operating lease to the lessors are charged to the consolidated statement of comprehensive loss on a straight-line basis over the lease period. Operating lease expenses recorded in the accompanying consolidated statements of comprehensive loss amounted to RMB102,020 and RMB228,478 for the years ended December 31, 2016 and 2017, respectively.

**(z) Dividends**

Dividends are recognized when declared. No dividends were declared for the years ended December 31, 2016 and 2017, respectively.

**(aa) Earnings/(Loss) per share**

Basic earnings/(loss) per share is computed by dividing net income/(loss) attributable to holders of ordinary shares, considering the accretions to redemption value of the preferred shares, by the weighted average number

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of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Diluted earnings/(loss) per share is calculated by dividing net income/(loss) attributable to ordinary shareholders, as adjusted for the accretion and allocation of net income related to the preferred shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares using the if-converted method, unvested restricted shares, restricted share units and ordinary shares issuable upon the exercise of outstanding share option (using the treasury stock method). Ordinary equivalent shares are not included in the denominator of the diluted earnings per share calculation when inclusion of such shares would be anti-dilutive.

***(ab) Segment reporting***

ASC 280, *Segment Reporting*, establishes standards for companies to report in their financial statements information about operating segments, products, services, geographic areas, and major customers.

Based on the criteria established by ASC 280, the Group's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. As a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. As the Group's long-lived assets are substantially located in the PRC, no geographical segments are presented.

***(ac) Revision to previously issued financial statements***

These financial statements as of and for the year ended December 31, 2016 are being revised to correct errors primarily related to:

(1) limited recourse loan provided to an executive by the Company for the issuance of Series A-3 convertible redeemable preferred shares ("Series A-3 Preferred Shares"), which was previously accounted for as non-current receivables with an amount of RMB80,809. It has been revised to account for the limited recourse loan as an option provided to the executive to purchase the Series A-3 Preferred Shares. Accordingly, share based compensation expenses amounting to RMB19,581 should be recognized in the Company's consolidated financial statements for the year ended December 31, 2016;

(2) costs of software to be sold, leased, or marketed, amounting to RMB59,052, which was previously capitalized by the Group. The Group has revised its consolidated financial statements for the year ended December 31, 2016 to expense the software development costs due to the capitalization criteria was not met;

The impact of these revisions on the previously issued consolidated financial statements are not material.

**3. Recent Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*." This guidance supersedes current guidance on revenue recognition in Topic 605, "Revenue Recognition." In addition, there are disclosure requirements related to the nature, amount, timing, and uncertainty of revenue recognition. In August 2015, the FASB issued ASU No. 2015-14 to defer the effective date of ASU No. 2014-09 for all entities by one year. For publicly-traded business entities that follow U.S. GAAP, the deferral results in the new revenue standards' being effective for fiscal years, and interim periods within those fiscal years,

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beginning after December 15, 2017, with early adoption permitted for interim and annual periods beginning after December 15, 2016. The Group has not started to generate revenue yet, therefore, there will be no impact when it is adopted in 2018.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”). The main objective of this update is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. ASU 2016-01 changes how entities measure certain equity investments and present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. The guidance also changes certain disclosure requirements and other aspects of current U.S. GAAP. Further, in March 2018, the FASB issued “Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,” which provides further guidance on adjustments for observable transaction for equity securities without a readily determinable fair value and clarification on fair value option for liabilities instruments. ASU 2016-01 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2017. Early adoption by public entities is permitted only for certain provisions. The Company is in the process of evaluating the impact of ASU 2016-01 on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for reporting periods beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted. The ASU will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. The Group is currently evaluating the impact that the adoption of this standard will have on its financial condition and results from operations.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (“ASU 2016-09”). ASU 2016-09 simplifies the accounting for share-based payment transactions specifically related to the tax effects associates with share-based compensation, an accounting policy election to determine how forfeitures are recorded and a change in the presentation requirements in the statement of cash flows. Non-public companies are also granted two additional optional provisions that would provide a practical expedient for determining the expected term and a one-time opportunity to change the measurement basis for all liability-classified awards to intrinsic value. The amendments are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. The Group is currently evaluating the impact that the adoption of this standard will have on its financial condition and results from operations.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. The Group does not expect the adoption to have a material impact on its consolidated financial statements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(All amounts in thousands, except for share and per share data)****4. Concentration and Risks***(a) Concentration of credit risk*

Assets that potentially subject the Group to significant concentrations of credit risk primarily consist of cash and cash equivalents, restricted cash and trade receivable. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of December 31, 2016 and 2017, all of the Group's cash and cash equivalents, restricted cash and short-term investments were held by major financial institutions located in the PRC and Hong Kong which management believes are of high credit quality. The PRC does not have an official deposit insurance program, nor does it have an agency similar to the Federal Deposit Insurance Corporation (FDIC) in the United States. However, the Group believes that the risk of failure of any of these PRC banks is remote. Bank failure is uncommon in China and the Group believes that those Chinese banks that hold the Group's cash and cash equivalents and restricted cash are financially sound based on publicly available information.

*(b) Currency convertibility risk*

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents and restricted cash denominated in RMB that are subject to such government controls amounted to RMB83,153 and RMB914,460 as of December 31, 2016 and 2017, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

*(c) Foreign currency exchange rate risk*

Since July 21, 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against other currencies.

**5. Inventory**

Inventory consists of the following:

	December 31, 2016	December 31, 2017
Raw materials	—	44,061
Work in process	—	22,262
Merchandise	—	23,141
Total	—	89,464

Raw materials and work in process as of December 31, 2017 are mainly used for research and development purpose and will be expensed when incurred.

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Merchandise inventory includes branded merchandise of NIO which can be redeemed by deducting membership rewards points of customer loyalty program in the Group's application store.

**6. Prepayments and Other Current Assets**

Prepayments and other current assets consist of the following:

	December 31, 2016	December 31, 2017
Deductible VAT input	152,457	456,774
Prepayment to vendors	102,326	185,401
Deposits	8,534	12,582
Other receivables	28,734	19,668
<b>Total</b>	<b>292,051</b>	<b>674,425</b>

Prepayment to vendors mainly consist of prepaid rental for offices and NIO Houses, and prepaid expenses for R&D services provided by suppliers.

**7. Property, Plant and Equipment, Net**

Property and equipment and related accumulated depreciation were as follows:

	December 31, 2016	December 31, 2017
Construction in process	465,064	1,016,643
Leasehold improvements	199,947	413,368
Computer and electronic equipment	83,585	178,534
Purchased software	55,814	135,775
R&D equipment	52,991	173,741
Production facilities	—	134,080
Office equipment	20,699	33,288
Motor vehicles	1,624	19,681
Others	—	27,331
Subtotal	879,724	2,132,441
Less: Accumulated depreciation	(46,720)	(221,428)
<b>Total property and equipment, net</b>	<b>833,004</b>	<b>1,911,013</b>

The Group recorded depreciation expenses of RMB45,013 and RMB165,960 for the years ended December 31, 2016 and 2017, respectively.

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**8. Intangible Assets, Net**

Intangible assets and related accumulated amortization were as follows:

	December 31, 2016			December 31, 2017		
	Gross carrying value	Accumulated amortization	Net carrying value	Gross carrying value	Accumulated amortization	Net carrying value
Domain names and others	4,319	(213)	4,106	4,230	(1,017)	3,213
License	3,100	(861)	2,239	3,199	(1,955)	1,244
Total intangible assets, net	7,419	(1,074)	6,345	7,429	(2,972)	4,457

The Group recorded amortization expenses of RMB1,074 and RMB1,898 for the years ended December 31, 2016 and 2017, respectively.

As of December 31, 2017, amortization expenses related to the intangible assets for future periods are estimated to be as follows:

	Year ended December 31,					
	2018	2019	2020	2021	2022	2023 and thereafter
Amortization expenses	2,035	993	815	614	—	—

**9. Other Non-current Assets**

Other non-current assets consist of the following:

	December 31, 2016	December 31, 2017
Prepayments for purchase of property and equipment	16,604	50,882
Long-term deposits	24,163	80,168
Others	—	91
Total	40,767	131,141

Long-term deposit mainly consists of rental deposit for offices and NIO Houses which will not be collectible within one year.

**10. Short-term Borrowings**

Short-term borrowings consist of the following:

	December 31, 2016	December 31, 2017
Short-term borrowings	—	28,787

In December 2017, the Group entered into a loan agreement totaling RMB10,000 and bearing interest at 4.57% per annum with the maturity date of June 7, 2018.

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In December 2017, the Group entered into another loan agreement totaling RMB18,787 and bearing interest at 4.87% per annum with the maturity date of June 7, 2018.

**11. Accruals and Other Liabilities**

Accruals and other liabilities consist of the following:

	December 31, 2016	December 31, 2017
Payables for purchase of property and equipment	190,681	410,726
Payable for R&D expenses	248,172	247,923
Accrued expenses	126,384	199,087
Salaries and benefits payable	55,190	170,274
Advance from customers	—	68,439
Non-recourse loan	19,582	55,028
Payables for marketing events	—	37,933
Interest payables	—	24,320
Payables for traveling	7,012	10,678
Other payables	38,302	61,184
<b>Total</b>	<b>685,323</b>	<b>1,285,592</b>

**12. Long-term Borrowings**

Long-term borrowings consist of the following:

	December 31, 2016	December 31, 2017
Bank loan	—	454,901
Loan from joint investor	37,500	187,500
<b>Total</b>	<b>37,500</b>	<b>642,401</b>

On September 7, 2016, the Group entered into a joint investment agreement with Nanjing Xingzhi Technology Industry Development Co., Ltd (“Nanjing Xingzhi”, formerly known as Nanjing Zijin (New Harbor) Technology Entrepreneurial Special Community Construction Development Co., Ltd). Nanjing Xingzhi invested in XPT NJES, a subsidiary of the Group, with a contribution of RMB37,500. According to the agreement, the annual rate of return on investment of Nanjing Xingzhi equals the benchmark interest rate of one-year RMB loan announced by PBOC. Given Nanjing Xingzhi does not bear the risk of the losses and only entitles to fixed interest income, the Group regarded it a loan in substance and recorded it in liability with the interest expenses amortized through the period.

On May 17, 2017, the Group entered into a secured loan agreement with the Bank of Nanjing of a facility amount of RMB685,000 with a maturity date of May 17, 2022. As of December 31, 2017, the aggregated draw amounted to RMB454,901 and the loan interest payable to Bank of Nanjing was RMB718 with an effective interest rate of 4.75% which is the current market rate. The loan was guaranteed by Nanjing Xingzhi as an incentive for XPT NJES to continue doing business in the respective region. There is no restrictive financial covenants attached to the loan.

On May 18, 2017, the Group entered into a joint investment agreement with Wuhan Donghu New Technology Development Zone Management Committee (“Wuhan Donghu”) to set up a joint venture entity (the

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“PE WHJV”). Wuhan Donghu subscribed for RMB384,000 paid in capital in PE WHJV with 49% of the shares. As of December 31, 2017, Wuhan Donghu injected RMB150,000 in cash to PE WHJV. Pursuant to the investment agreement, Wuhan Donghu does not have substantive participating rights to PE WHJV, nor is allowed to transfer its equity interest in PE WHJV to other third party. In addition, within five years or when the net assets of PE WHJV is less than RMB550,000, the Group is obligated to purchase from Wuhan Donghu all of its interest in PE WHJV at its investment amount paid plus interest at the current market rate announced by PBOC. As such, the Group consolidates PE WHJV. The investment by Wuhan Donghu is accounted for as a loan because it is only entitled to fixed interest income and subject to repayment within five years or upon the financial covenant violation.

**13. Other Non-Current Liabilities**

Other non-current liabilities consist of the following:

	December 31, 2016	December 31, 2017
Deferred construction allowance	14,652	61,771
Rental payable	26,425	48,926
Deferred government grants	19,644	30,416
Others	478	—
<b>Total</b>	<b>61,199</b>	<b>141,113</b>

Rental payable represents the difference between the straight-line rental expenses and the actual rental fee paid for long term rental agreements.

**14. Research and Development Expenses**

Research and development expenses consist of the following:

	Year ended December 31,	
	2016	2017
Design and development expenses	948,753	1,455,297
Employee compensation	451,284	1,004,835
Travel expenses	27,085	60,622
Depreciation and amortization expenses	7,819	38,940
Rental and related expenses	10,485	12,367
Others	19,927	30,828
<b>Total</b>	<b>1,465,353</b>	<b>2,602,889</b>



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**15. Selling, General and Administrative Expenses**

Selling, general and administrative expenses consist of the following:

	<b>Year ended December 31,</b>	
	<b>2016</b>	<b>2017</b>
Employee compensation	473,302	929,928
Marketing and promotional expenses	239,549	523,535
Rental and related expenses	91,535	216,111
Professional services	133,368	238,740
Depreciation and amortization expenses	38,268	128,918
IT consumable, office supply and other low value consumable	21,621	114,668
Travel expenses	32,572	71,278
Others	106,972	127,529
<b>Total</b>	<b>1,137,187</b>	<b>2,350,707</b>

**16. Acquisition and Investment in Equity Investees**

On June 1, 2017, the Company entered into an agreement with the minority shareholder of NIO Sport for the purchase of the remaining 45% shares of NIO Sport at total consideration of USD4,000 and GBP200 (RMB28,417 equivalent in total). The Company recorded the difference between the carrying amount of the non-controlling interest and the consideration paid in accumulated deficit.

**17. Convertible Promissory Note**

On February 16, 2017, the Company issued convertible promissory note (“the Note”) in the aggregated principal amount of USD48,000 (RMB312,624 equivalent) to one of its existing convertible redeemable preferred shareholder with compounding interest at 15% per annum, maturing 90 days after the issuance date. Pursuant to the Note agreements, the holders of the Note may (i) convert the outstanding principal and accrued interest of the Note into the most recent round of equity security at a conversion price equal to 97% of the per share price paid by the investors in the event that the Company issues and sells equity security to investors on or before the date of the repayment in full of this Note in an equity financing resulting in gross proceeds to the Company of at least USD100,000 (“Qualified Financing”), however, the Company and the Note holder both agreed that the 3% discount on the price shall not be applicable to the Series C Convertible Redeemable Preferred Shares (“Series C Preferred Shares”), or (ii) convert the outstanding principal and accrued interest of the Note into Series B Convertible Redeemable Preferred Shares (“Series B Preferred Shares”) of the Company at a conversion price of USD2.751 per share if no Qualified Financing occurred before prior to the maturity date. The Company may elect to repay the accrued interests in cash under either way. The issuance cost for the Note was immaterial. On May 17, 2017, the Note was fully repaid in cash together with the accrued interest of USD1,800 (RMB12,389 equivalent).

**18. Convertible Redeemable Preferred Shares**

In March 2015, the Company issued 165,000,000 shares of Series A-1 convertible redeemable preferred shares (“Series A-1 Preferred Shares”) for USD1.00 per share for cash of USD165,000. The total consideration was paid in three instalments and were fully paid in January 2017. In March and May 2015, the Company issued 130,000,000 shares of Series A-2 convertible redeemable preferred shares (“Series A-2 Preferred Shares”) for

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USD1.00 per share for cash of USD130,000. In September 2015, the Company issued 24,210,431 shares of Series A-3 Preferred Shares for USD1.6522 per share for cash of USD40,000. The Series A-1, A-2 and A-3 Preferred Shares are collectively referred to as the “Series A Preferred Shares”.

In June, July, August, September 2016 and February 2017, the Company issued 114,867,321 shares of Series B convertible redeemable preferred shares (“Series B Preferred Shares”) for USD2.751 per share for cash of USD316,000.

In March, April, May and July 2017, the Company issued 166,205,830 shares of Series C convertible redeemable preferred shares (“Series C Preferred Shares”) for USD3.885 per share for cash of USD645,709.

In November and December 2017, the Company issued 211,156,415 shares of Series D convertible redeemable preferred shares (“Series D Preferred Shares”) for USD5.353 per share for cash of USD1,130,320. USD12,000 out of the total consideration from one of the investor was not paid until March 28, 2018 and it was treated as a reduction of Series D Preferred Shares until it was paid. In addition, a finder’s commission of USD26,000 was incurred for the Series D Preferred Shares financing. The Company paid 50% of the commission in cash amounted USD13,000 and the remaining 50% by issuance of 2,428,588 shares of Series D Preferred Shares for free to the financial advisory. The total of the finder’s commission was also recorded as an issuance cost as a deduction of the preferred shares.

The Series A-1, A-2, A-3, B, C and D Preferred Shares are collectively referred to as the “Preferred Shares”. All series of Preferred Shares have the same par value of USD0.00025 per share.

The Company classified the Preferred Shares in the mezzanine section of the consolidated balance sheets because they were redeemable at the holders’ option any time after a certain date and were contingently redeemable upon the occurrence of certain liquidation events outside of the Company’s control, that being the Company’s failure to complete a qualified initial public offering (“QIPO”) by December 31, 2021. The Preferred Shares are recorded initially at fair value, net of issuance costs. The issuance costs for Series A-1, A-2, A-3, B, C, and D were USD301, USD189, USD208, USD1,782, USD1,489 and USD764 (RMB1,892, RMB1,177, RMB1,296, RMB11,857, RMB10,039 and RMB5,149, equivalent).

The major rights, preferences and privileges of the Preferred Shares are as follows:

***Voting Rights***

The holders of the Preferred Shares shall have the right to one vote for each ordinary share into which each outstanding Preferred Share held could then be converted. The holders of the Preferred Shares vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put before the shareholders. The holders of the Preferred Shares are entitled to appoint a total of 10 out of 11 directors of the Board.

***Dividends***

Subject to the approval and declaration by the Board of Directors, the holders of the Preferred Shares (exclusive of unpaid shares) are entitled to receive dividends in the following order:

- Series D Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series C preferred Shares, Series B preferred shares, Series A Preferred Shares and ordinary shares;

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- Series C Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series B preferred shares, Series A Preferred Shares and ordinary shares;
- Series B Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series A Preferred Shares and ordinary shares;
- Series A Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any ordinary shares;
- any remaining dividends shall be distributed on a pro rata basis to holders of all the Preferred Shares and ordinary shares on a fully diluted and as-if converted basis.

No dividends on preferred and ordinary shares have been declared since the issuance date through December 31, 2016 and 2017.

***Liquidation***

In the event of any liquidation, the holders of Preferred Shares have preference over holders of ordinary shares with respect to payment of dividends and distribution of assets. Upon Liquidation, Series D Preferred Shares shall rank senior to Series C Preferred Shares, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-1 and A-2 Preferred Shares, Series A-1 and A-2 Preferred Shares shall rank senior to ordinary shares.

The holders of Preferred Shares (exclusive of unpaid shares) shall be entitled to receive an amount per share equal to (A) an amount equal to the higher of (1) 100% of the original issue price of such Preferred Shares, and (2) the amount that would be payable on such Preferred Shares if converted into ordinary shares immediately before such Liquidation; and (B) the amount of all declared but unpaid dividends on such Preferred Shares based on such holder's pro rata portion of the total number of the Preferred Shares. If there are still assets of the Company legally available for distribution, such remaining assets of the Company shall be distributed to the holders of issued and outstanding Ordinary Shares on pro rata basis among themselves.

***Conversion***

The Preferred Shares (exclusive of unpaid shares) would automatically be converted into common shares 1) upon a QIPO; or 2) upon the written consent of the holders of a majority of the outstanding Preferred Share of each class with respect to conversion of each class.

The initial conversion ratio of Preferred Shares to ordinary shares shall be 1:1, subject to adjustments in the event of (i) share splits, share dividends, combinations, recapitalization and similar events, or (ii) issuance of Ordinary Shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Company determined that there were no beneficial conversion features identified for any of the Preferred Shares during any of the periods. In making this determination, the Company compared the fair value of the ordinary shares into which the Preferred Shares are convertible with the respective effective conversion price at the issuance date. In all instances, the effective conversion price was greater than the fair value of the ordinary shares. To the extent a conversion price adjustment occurs, as described above, the Company will re-evaluate whether or not a beneficial conversion feature should be recognized.

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***Redemption***

The Company shall redeem, at the option of any holder of outstanding Preferred Shares, all of the outstanding Preferred Shares (other than the unpaid shares) held by the requesting holder, at any time after the earliest to occur of (a) December 31, 2021, if no QIPO or Approved Sale has been consummated prior to such date, (b) any material change in applicable law that would prohibit or otherwise make it illegal to continue to operate the business under the then-existing equity structure of the Group, which could not be solved by alteration or adjustment of the equity structure of the Group after good faith consultation among the Company and its shareholders, (c) the early termination of employment or service contracts of no less than 30% of the certain key employees (or subsequent persons holding their respective positions) with the Group during any six-month period (excluding any early termination with cause) which has resulted in material adverse effect with respect to the Business of the Group as a whole, and (d) termination or disruption of the business of the Group as a whole, which is attributable to any Group Company's non-compliance with applicable laws or breach or early termination of material business contracts or business arrangements with any supplier, clients or otherwise (any matter or event as described in items (a) to (d), hereinafter a "Redemption Event"), or (e) any other Preferred Share holder has requested the Company to redeem its shares in any Redemption Event by delivery of a notice.

The redemption amount payable for each Preferred Share (other than the unpaid shares) will be an amount equal to the greater of (a) 100% of the Preferred Shares' original issue price, plus all accrued but unpaid dividends thereon up to the date of redemption and compound interest on the preferred shares' original issue price at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (b) the fair market value of such Preferred Shares at the date of redemption.

Upon the redemption, Series D Preferred Shares shall rank senior to Series C Preferred Shares, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-1 and A-2 Preferred Shares, Series A-1 and A-2 Preferred Shares shall rank *pari passu* to each other.

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*Accounting for Preferred Shares*

The Company recognized accretion to the respective redemption value of the Preferred Shares over the period starting from issuance date to December 31, 2021, the earliest redemption date. According to the redemption price calculation described above, the Company recognized accretion of the Preferred Shares amounted to RMB981,233 and RMB2,576,935 during the years ended December 31, 2016 and 2017, respectively.

The Company's convertible redeemable preferred shares activities for the year ended December 31, 2016 and 2017 are summarized below:

	Series A-1 & A-2		Series A-3		Series B		Series C		Series D		Total	
	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)
<b>Balances as of January 1, 2016</b>	295,000,000	1,340,034	24,210,431	276,695	—	—	—	—	—	—	319,210,431	1,616,729
Proceeds from Series A-1 Preferred Shares	—	401,478	—	—	—	—	—	—	—	—	—	401,478
Issuance of preferred shares	—	—	—	—	102,144,675	1,862,134	—	—	—	—	102,144,675	1,862,134
Accretion on convertible redeemable preferred shares to redemption value	—	798,481	—	29,983	—	152,769	—	—	—	—	—	981,233
<b>Balances as of December 31, 2016</b>	<u>295,000,000</u>	<u>2,539,993</u>	<u>24,210,431</u>	<u>306,678</u>	<u>102,144,675</u>	<u>2,014,903</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>421,355,106</u>	<u>4,861,574</u>
Proceeds from Series A-1 Preferred Shares	—	266,511	—	—	—	—	—	—	—	—	—	266,511
Issuance of preferred shares	—	—	—	—	12,722,646	240,066	166,205,830	4,398,313	213,585,003	7,314,387	392,513,479	11,952,766
Accretion on convertible redeemable preferred shares to redemption value	—	2,205,227	—	120,451	—	40,011	—	56,283	—	154,963	—	2,576,935
<b>Balances as of December 31, 2017</b>	<u>295,000,000</u>	<u>5,011,731</u>	<u>24,210,431</u>	<u>427,129</u>	<u>114,867,321</u>	<u>2,294,980</u>	<u>166,205,830</u>	<u>4,454,596</u>	<u>213,585,003</u>	<u>7,469,350</u>	<u>813,868,585</u>	<u>19,657,786</u>

**19. Ordinary Shares**

Upon inception, each ordinary share was issued at a par value of USD0.00025 per share. Various numbers of ordinary shares were issued to share-based compensation award recipients. As of December 31, 2017, the authorized share capital of the Company is US\$500 divided into 2,000,000,000 shares, comprising of: 1,151,269,325 ordinary shares, 165,000,000 Series A-1 Preferred Shares, 130,000,000 Series A-2 Preferred Shares, 31,720,364 Series A-3 Preferred Shares, 114,867,321 Series B Preferred Shares, 167,142,990 Series C Preferred Shares, 240,000,000 Series D Preferred Shares, each at a par value of USD0.00025 per share.

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As of December 31, 2016 and 2017, 1,558,412,315 and 1,151,269,325 ordinary shares were authorized, respectively, 32,003,810 and 36,727,350 shares were issued and 17,773,459 and 23,850,343 shares were outstanding as of December 31, 2016 and 2017, respectively.

**20. Share-based Compensation**

Compensation expenses recognized for share-based awards granted by the Company were as follows:

	<b>Year Ended December 31,</b>	
	<b>2016</b>	<b>2017</b>
Research and development expenses	14,484	23,210
Selling, general and administrative expenses	62,200	67,086
<b>Total</b>	<b>76,684</b>	<b>90,296</b>

There was no income tax benefit recognized in the consolidated statements of comprehensive loss for share-based compensation expenses and the Group did not capitalize any of the share-based compensation expenses as part of the cost of any assets in the years ended December 31, 2016 and 2017.

**(a) Prime Hubs' Restricted Shares Plan**

In 2015, the Company adopted the Prime Hubs Restricted Shares Plan (the "Prime Hubs Plan"). Pursuant to the Prime Hubs Plan, restricted shares were granted to certain employees and non-employee consultants of the Group as approved by the board of directors. The restricted shares granted require the non-employee consultants to serve the Group for a period of one year with 100% of the restricted shares vesting upon the completion of the service period and the employees to serve the group for a period of four years with 25% of the restricted shares vesting at each anniversary of the service commencement date. The restricted shares issued under the Prime Hubs Plan are held by Prime Hubs, a consolidated variable interest entity of the Company, and are accounted for as treasury stocks of the Company prior to their vesting.

The following table summarizes activities of the Company's restricted shares granted under the Prime Hubs Plan:

*(i) Employees*

<b>Employees</b>	<b>Number of Shares Outstanding</b>	<b>Weighted Average Grant Date Fair Value USD</b>
Unvested as of December 31, 2015	13,450,000	0.72
Vested	(3,362,500)	0.72
Forfeited	(1,687,500)	0.72
Unvested as of December 31, 2016	8,400,000	0.72
Granted	2,000,000	2.05
Vested	(3,133,329)	0.84
Forfeited	(208,333)	0.72
Unvested as of December 31, 2017	7,058,338	1.04

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For the years ended December 31, 2016 and 2017, total share-based compensation expenses recognized for the employee restricted shares granted under the Prime Hubs Plan were RMB8,435 and RMB20,572, respectively.

As of December 31, 2016 and 2017, there were RMB33,251 and RMB37,651 of unrecognized share-based compensation expenses related to the employee restricted shares granted under the Prime Hubs Plan. Such unrecognized expenses are expected to be recognized over a weighted-average period of 2.14 and 1.69 years, respectively, as of December 31, 2016 and 2017.

*(ii) Non-Employees*

<u>Non-Employees</u>	<u>Number of Shares Outstanding</u>	<u>Weighted Average Grant Date Fair Value USD</u>
Unvested as of December 31, 2015	2,950,000	1.25
Vested	(2,950,000)	1.25
Unvested as of December 31, 2016 and 2017	<u>—</u>	<u>—</u>

In January 2017, the Company agreed to repurchase 250,000 vested Prime Hubs restricted shares from a non-employee with total cash consideration of RMB1,686.

For the years ended December 31, 2016 and 2017, total share-based compensation expenses recognized for the non-employee restricted shares granted the Prime Hubs Plan were RMB24,532 and nil, respectively.

As of December 31, 2016, all share-based compensation expenses related to the non-employee restricted shares granted the Prime Hubs Plan had been recognized.

***(b) NIO Incentive Plans***

In 2015, the Company adopted the 2015 Stock Incentive Plan (the “2015 Plan”), which allows the plan administrator to grant options and restricted shares of the Company to its employees, directors, and consultants.

The Company granted share options to the Group’s non-NIO US employees and both share options and restricted shares to the employees of NIO US. The share options and restricted shares of the Company under 2015 Plan have a contractual term of ten years from the grant date, and vest over a period of four years of continuous service, one fourth (1/4) of which vest upon the first anniversary of the stated vesting commencement date and the remaining vest rateably over the following 36 months. Under the 2015 plan, share options granted to the non-NIO US employees of the Group are only exercisable upon the occurrence of an initial public offering by the Company.

In 2016 and 2017, the Board of Directors further approved the 2016 Stock Incentive Plan (the “2016 Plan”) and the 2017 Stock Incentive Plan (the “2017 Plan”). The 2016 and 2017 Plans have the same terms as 2015 Plan.

As of December 31, 2016 and 2017, the Group had not recognized any share-based compensation expenses for options granted to the non-NIO US employees of the Group, because the Company is unable to determine if it is probable that the performance conditions will be satisfied until the event occurs. As a result, the share-based compensation expenses for these options that are only exercisable upon the occurrence of the Company’s initial

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public offering will be recognized using the graded-vesting method upon the consummation of the initial public offering. The Group recognized the share options and restricted shares of the Company granted to the employees of NIO US on a straight-line basis over the vesting term of the awards, net of estimated forfeitures.

(i) *Share Options*

The following table summarizes activities of the Company's share options under the 2015, 2016 and 2017 Plans:

	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price USD</b>	<b>Weighted Average Remaining Contractual Life In Years</b>	<b>Aggregate Intrinsic Value USD</b>
Outstanding as of December 31, 2015	—	—	—	—
Granted	53,576,606	0.32	—	—
Forfeited	(945,346)	0.39	—	—
Expired	(7,706)	0.10	—	—
Outstanding as of December 31, 2016	<u>52,623,554</u>	<u>0.32</u>	<u>8.30</u>	<u>51,506</u>
Granted	13,460,477	1.46	—	—
Exercised	(2,723,540)	0.39	—	—
Forfeited	(5,236,562)	0.44	—	—
Expired	(348,015)	0.25	—	—
Outstanding as of December 31, 2017	<u>57,775,914</u>	<u>0.57</u>	<u>8.52</u>	<u>114,299</u>
Vested and expected to vest as of December 31, 2016	50,782,627	—	—	49,245
Exercisable as of December 31, 2016	1,297,535	—	—	1,336
Vested and expected to vest as of December 31, 2017	55,832,678	—	—	107,299
Exercisable as of December 31, 2017	5,089,894	—	—	11,070

The weighted-average grant date fair value for options granted under the Company's 2015, 2016 and 2017 Plans during the years ended December 31, 2016 and 2017 was USD0.90 and USD1.21, respectively, computed using the binomial option pricing model.

The total share-based compensation expenses recognized for share options during the years ended December 31, 2016 and 2017 was RMB17,998 and RMB30,127 respectively.

The fair value of each option granted under the Company's 2015, 2016 and 2017 Plans during 2016 and 2017 was estimated on the date of each grant using the binomial option pricing model with the assumptions (or ranges thereof) in the following table:

	<b>2016</b>	<b>2017</b>
Exercise price (USD)	0.10-0.61	0.61-2.55
Fair value of the ordinary shares on the date of option grant (USD)	0.96-1.30	1.30-2.55
Risk-free interest rate	1.46%-1.78%	2.31%-2.40%
Expected term (in years)	10	10
Expected dividend yield	0%	0%
Expected volatility	54%	51%-52%
Expected forfeiture rate (post-vesting)	5%	5%



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Risk-free interest rate is estimated based on the yield curve of US Sovereign Bond as of the option valuation date. The expected volatility at the grant date and each option valuation date is estimated based on annualized standard deviation of daily stock price return of comparable companies with a time horizon close to the expected expiry of the term of the options. The Company has never declared or paid any cash dividends on its capital stock, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the options.

As of December 31, 2016 and 2017, there were RMB106,675 and RMB58,444 of unrecognized compensation expenses related to the stock options granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 3.37 and 2.53 years, respectively.

As of December 31, 2016 and 2017, there were RMB192,340 and RMB275,473 of unrecognized compensation expenses related to the stocks options granted to the Group's non-NIO US employees with a performance condition of an IPO, out of which, unrecognized compensation expenses of RMB54,529 and RMB138,884 related to options for which the service condition had been met and are expected to be recognized when the performance target of an IPO is achieved.

*(ii) Restricted shares*

The fair value of each restricted share granted with service conditions is estimated based on the fair market value of the underlying ordinary shares of the Company on the date of grant.

The following table summarizes activities of the Company's restricted shares under the 2015 plan:

	<b><u>Number of Restricted Shares Outstanding</u></b>	<b><u>Weighted Average Grant Date Fair Value USD</u></b>
Unvested at December 31, 2015	—	—
Granted	3,103,809	0.96
Vested	(960,958)	0.96
Forfeited	(305,464)	0.96
Unvested at December 31, 2016	<u>1,837,387</u>	<u>0.96</u>
Vested	(470,015)	0.96
Forfeited	(254,395)	0.96
Unvested at December 31, 2017	<u>1,112,977</u>	<u>0.96</u>

As of December 31, 2016 and 2017, there were RMB11,735 and RMB6,095 of unrecognized compensation expenses related to restricted shares granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 2.75 and 1.75 years, respectively.

Share-based compensation expenses of RMB6,137 and RMB4,151 related to restricted shares granted to the employees of NIO US was recognized for the years ended December 31, 2016 and 2017, respectively.

*(c) Non-recourse Loan*

In November 2015, the Company issued an offer letter to one of its key management team member ("the Borrower"). In the offer letter, the Company offered the Borrower to purchase 7,509,933 Series A-3 Preferred

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Shares of the Company at the price of USD1.6522 per share, which equals to the purchase price paid for the same class of preferred shares by other third party investors in the most recent round of financing prior to the offer letter. In addition, the Company agreed to provide a loan in the amount of USD12,408 with an interest rate of 1.8% compounded semiannually to fund the purchase of such Series A-3 Preferred Shares by the Borrower (“the Loan”). The Loan agreement was signed on March 10, 2016, the date of her employment. The Loan is subject to a three-year service condition with 25% immediately vested on the grant date and 25% cliff vesting annually. The Borrower’s personal liability on the Loan, and the Company’s recourse against the Borrower personally on the Loan, shall be limited to 50% of the then-outstanding principal amount of the Loan, including any interest accrued thereon.

Pursuant to ASC 718, the Company accounted for the Loan as a stock liability (the “Award”). Given the underlying of the Award is Series A-3 Preferred Shares, it was treated as a liability award following ASC 480. The Award was initially recognized at fair value and subsequently re-measured by recognizing the change in fair value as an adjustment to the compensation costs. The fair value of the Award granted was estimated on each reporting date using the Black-Scholes option pricing model with the assumptions (or ranges thereof) in the following table:

	2016	2017
Exercise price	1.83	1.82
Fair value of the Preferred Shares on the measurement date	1.80	2.70
Risk-free interest rate	2%	2%
Remaining life (in years)	4.75	3.64
Expected dividend yield	0%	0%
Expected volatility	47-51%	47-48%

Share-based compensation expenses related to the Award of RMB19,582 and RMB35,446 was recognized for the years ended December 31, 2016 and 2017, respectively.

**21. Taxation****(a) Income taxes***Cayman Islands*

The Company was incorporated in the Cayman Islands and conducts most of its business through its subsidiaries located in Mainland China, Hong Kong, United States, United Kingdom and Germany. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

*PRC*

All Chinese companies are subject to enterprise income tax (“EIT”) at a uniform rate of 25%.

Under the EIT Law enacted by the National People’s Congress of PRC on March 16, 2007 and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by a foreign investment enterprise in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor’s jurisdiction of incorporation has a tax

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treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the “beneficial owner” and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with PRC.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose “de facto management body” is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the “de facto management body” as “the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located.” Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC will be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, there is uncertainty as to the application of the EIT Law. Should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year (“Super Deduction”). The additional deduction of 50% of qualified research and development expenses can only be claimed directly in the annual EIT filing and subject to the approval from the relevant tax authorities.

*Hong Kong*

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries of the Group incorporated in Hong Kong are subject to 16.5% Hong Kong profit tax on their taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

*Other Countries*

The maximum applicable income tax rates of other countries where the Company’s subsidiaries having significant operations in the years ended December 31, 2016 and 2017 are as follows:

	<b>For the</b>	
	<b>Year ended December 31,</b>	
	<b>2016</b>	<b>2017</b>
United States	42.84%	42.84%
United Kingdom	20.00%	19.25%
Germany	32.98%	32.98%

Composition of income tax expense for the periods presented are as follows:

	<b>For the</b>	
	<b>Year ended December 31,</b>	
	<b>2016</b>	<b>2017</b>
Current income tax expense	<u>4,314</u>	<u>7,906</u>

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Reconciliations of the income tax expense computed by applying the PRC statutory income tax rate of 25% to the Group's income tax expense of the periods presented are as follows:

	For the	
	Year ended December 31,	
	2016	2017
Loss before income tax expense	(2,568,940)	(5,013,268)
Income tax expense computed at PRC statutory income tax rate of 25%	(642,235)	(1,253,318)
Non-deductible expenses	91,915	91,093
Foreign tax rates differential	52,495	(74,531)
Additional 50% tax deduction for qualified research and development expenses	(46,527)	(93,513)
Tax exempted interest income	(52)	(845)
Effect of U.S. tax law change	—	165,898
US tax credits	(5,716)	(52,185)
Prior year adjustments	3,594	(10,293)
Tax benefit not utilized	550,840	1,235,600
Income tax expense	4,314	7,906

The PRC statutory income tax rate was used because the majority of the Group's operations are based in PRC.

**(b) Deferred tax**

The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more-likely-than-not realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment and the forecasts of future taxable income are consistent with the plans and estimates the Group is using to manage the underlying business. The statutory income tax rate of 25% or applicable preferential income tax rates were applied when calculating deferred tax assets.

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The Group's deferred tax assets consist of the following components:

	As of December 31,	
	2016	2017
<b>Deferred tax assets</b>		
Net operating loss carry-forwards	567,844	1,620,535
Accrued expenses	39,174	84,320
Advertising expenses in excess of deduction limit	9,118	65,737
Tax credit carry-forwards	13,735	60,624
Property, plant and equipment, net	28,849	27,463
Deferred rent	9,478	8,699
Deferred Revenue	2,411	—
Intangible assets	1,643	7,104
Share-based compensation	637	4,106
Unrealized foreign exchange loss	—	55
<b>Total deferred tax assets</b>	<b>672,889</b>	<b>1,878,643</b>
Less: Valuation allowance	(672,889)	(1,878,643)
<b>Total deferred tax assets, net</b>	<b>—</b>	<b>—</b>

Full valuation allowances have been provided where, based on all available evidence, management determined that deferred tax assets are not more likely than not to be realizable in future tax years. Movement of valuation allowance is as follow:

	As of December 31,	
	2016	2017
<b>Valuation allowance</b>		
Balance at beginning of the year	—	672,889
Additions	672,889	1,205,754
<b>Balance at end of the year</b>	<b>672,889</b>	<b>1,878,643</b>

The Group has tax losses arising in Mainland China of RMB4,620,424 that will expire in one to four years for deduction against future taxable profit.

Loss expiring in 2019	4
Loss expiring in 2020	186,827
Loss expiring in 2021	1,335,168
Loss expiring in 2022	3,098,425
<b>Total</b>	<b>4,620,424</b>

The Group has tax losses arising in Hong Kong and United Kingdom of RMB705,077 for which could be carried forward indefinitely against future taxable income.

The Group has tax losses arising in United States of RMB22,960, RMB232,429 and RMB894,771 that will expire in eighteen, nineteen and twenty years for deduction against future taxable income.

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On December 22, 2017, the 2017 Tax Cuts and Jobs Act (“Tax Act”) was enacted into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a federal corporate tax rate decrease from 35% to 21% for tax years beginning after December 31, 2017. The Group is required to recognize the effect of the tax law changes in the period of enactment, such as re-measuring the Group’s U.S. deferred tax assets and liabilities as well as reassessing the net realizability of the deferred tax assets and liabilities. The Tax Act did not give rise to any material impact on the consolidated balance sheets and consolidated statements of comprehensive loss due to the Group’s historical worldwide loss position and the full valuation allowance provided against the Group’s net U.S. deferred tax assets.

In December 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (“SAB 118”), which allows the Group to record provisional amounts during a measurement period not to extend beyond one year from the enactment date. Since the Tax Act was enacted late in the fourth quarter of 2017 (and ongoing guidance and accounting interpretations are expected over the next 12 months), the Group considers the accounting of deferred tax re-measurements and other items to be incomplete due to the forthcoming guidance and its ongoing analysis of final year-end data and tax positions. The Group expects to complete the analysis within the measurement period in accordance with SAB 118. The Group does not expect any subsequent adjustments to have any material impact on the consolidated balance sheets or consolidated statements of comprehensive loss due to our historical worldwide loss position and the full valuation allowance provided against the Group’s net U.S. deferred tax assets.

*Uncertain Tax Position*

The Group did not identify any significant unrecognized tax benefits for each of the periods presented. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expense and also does not anticipate any significant change in unrecognized tax benefits within 12 months from December 31, 2017.

**22. Loss Per Share**

Basic loss per share and diluted loss per share have been calculated in accordance with ASC 260 on computation of earnings per share for the years ended December 31, 2016 and 2017 as follows:

	For the Year ended December 31,	
	2016	2017
<b>Numerator:</b>		
Net loss	(2,573,254)	(5,021,174)
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)
Net loss attributable to non-controlling interests	36,938	36,440
Net loss attributable to ordinary shareholders of NIO Inc. for basic/dilutive net loss per share	<u>(3,517,549)</u>	<u>(7,561,669)</u>
<b>Denominator:</b>		
Weighted-average number of ordinary shares outstanding — basic and diluted	<u>16,697,527</u>	<u>21,801,525</u>
Basic and diluted net loss per share attributable to ordinary shareholders of NIO Inc.	<u>210.66</u>	<u>346.84</u>

For the years ended December 31, 2016 and 2017, assumed conversion of the Preferred Shares into ordinary shares were excluded from the calculations of diluted net loss per share of the Company due to the anti-dilutive

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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effect. The effects of all outstanding share options have also been excluded from the computation of diluted net loss per share for the years ended December 31, 2016 and 2017 as their effects would be anti-dilutive.

For the years ended December 31, 2016 and 2017, the Company had potential ordinary shares, including non-vested restricted shares, options granted and Preferred Shares. As the Group incurred losses for the years ended December 31, 2016 and 2017, these potential ordinary shares were anti-dilutive and excluded from the calculation of diluted net loss per share of the Company. The weighted-average numbers of non-vested restricted shares, options granted and Preferred Shares excluded from the calculation of diluted net loss per share of the Company were 12,198,170, 26,311,777 and 369,222,548 as of December 31, 2016, 8,323,591, 27,495,737 and 593,611,970 as of December 31, 2017, respectively.

### 23. Related Party Balances and Transactions

The principal related parties with which the Group had transactions during the years presented are as follows:

<u>Name of Entity or Individual</u>	<u>Relationship with the Company</u>
Bin Li	Principal Shareholder, Chairman of the Board and Chief Executive Officer
Lihong Qin	Principal Shareholder, Director and President of the Company
Baidu Capital L.P.	Shareholder
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	Affiliate
Hubei Changjiang Nextev New Energy Investment Management Co., Ltd.	Controlled by Principal Shareholder
Jiangsu Xindian Automotive Co., Ltd.	Controlled by Principal Shareholder
Beijing CHJ Information Technology Co., Ltd.	Controlled by Principal Shareholder
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	Controlled by Principal Shareholder
Hubei Changjiang Nextev New Energy Industry Development Capital Partnership (Limited Partnership)	Controlled by Principal Shareholder
Beijing Chehui Hudong Guanggao Co., Ltd.	Affiliate
Beijing Xinyi Hudong Guanggao Co., Ltd.	Affiliate
Bite Shijie (Beijing) Keji Co., Ltd.	Affiliate

**(a) The Group entered into the following significant related party transactions:**

**(i) Provision of service**

For the years ended December 31, 2016 and 2017, service income was primarily generated from property management and miscellaneous research and development services the Group provided to its related parties.

	<u>For the</u> <u>Year ended December 31,</u>	
	<u>2016</u>	<u>2017</u>
Hubei Changjiang Nextev New Energy Investment Management Co., Ltd.	—	11,121
Beijing CHJ Information Technology Co., Ltd.	—	4,588
Hubei Changjiang Nextev New Energy Industry Development Capital Partnership (Limited Partnership)	—	4,015
Jiangsu Xindian Automotive Co., Ltd.	—	1,785
	<u>—</u>	<u>21,509</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(ii) Acceptance of marketing and advertising service

	For the Year ended December 31,	
	2016	2017
Beijing Xinyi Hudong Guanggao Co., Ltd.	—	8,021
Bite Shijie (Beijing) Keji Co., Ltd.	—	6,987
Beijing Chehui Hudong Guanggao Co., Ltd.	—	544
	—	15,552

(iii) Loan to related party

	For the Year ended December 31,	
	2016	2017
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	—	50,000

(iv) Cost of manufacturing consignment

	For the Year ended December 31,	
	2016	2017
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	—	18,324

(v) Purchase of property and equipment

	For the Year ended December 31,	
	2016	2017
Bite Shijie (Beijing) Keji Co., Ltd.	—	2,960

(vi) Interest payable on behalf of related parties

	For the Year ended December 31,	
	2016	2017
Baidu Capital L.P.	—	21,671



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*(b) The Group had the following significant related party balances:*

*(i) Amounts due from related parties*

	As of December 31,	
	2016	2017
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	—	50,000
Baidu Capital L.P.	—	21,671
Beijing CHJ Information Technology Co., Ltd.	—	3,624
Bin Li	1,680	1,680
Jiangsu Xindian Automotive Co., Ltd.	—	1,627
Hubei Changjiang Nextev New Energy Investment Management Co., Ltd.	—	954
Total	<u>1,680</u>	<u>79,556</u>

*(ii) Amounts due to related parties*

	As of December 31,	
	2016	2017
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	—	19,466
Bin Li	15,170	14,289
Lihong Qin	5,667	5,338
Beijing Chehui Hudong Guanggao Co., Ltd.	—	576
Beijing Xinyi Hudong Guanggao Co., Ltd.	—	400
Total	<u>20,837</u>	<u>40,069</u>

**24. Commitment and Contingencies**

*(a) Capital commitments*

Capital expenditures contracted for at the balance sheet dates but not recognized in the Group's consolidated financial statements are as follows:

	As of December 31,	
	2016	2017
Property and equipment	1,020,637	1,250,612
Leasehold improvements	—	470,600
Total	<u>1,020,637</u>	<u>1,721,212</u>

*(b) Operating lease commitments*

The Group leases certain office premises and buildings under non-cancelable leases. Rental expenses under operating leases for the years ended December 31, 2016 and 2017 were RMB102,020 and RMB228,478 respectively.

**NIO INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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As of December 31, 2016 and 2017, the Group had remaining outstanding commitments non-cancelable agreements in respect to its operating leases as follows:

	<b>As of December 31,</b>	
	<b>2016</b>	<b>2017</b>
Within one year	127,819	233,486
1 to 2 years	139,442	261,846
2 to 3 years	132,029	278,278
More than 3 years	538,654	912,356
<b>Total</b>	<b>937,944</b>	<b>1,685,966</b>

**25. Subsequent Events**

On March 28, 2018, the outstanding consideration of RMB78,410 (USD12,000 equivalent) for Series D Preferred Shares was paid in full by the investor.

On April 10, 2018, NIO SH provided an interest free shareholder loan to one of the Series C Preferred Shareholders of the Company with principal amount of RMB703,956. The loan will be due on May 27, 2018 without interest.

**26. Parent Company Only Condensed Financial Information**

The Company performed a test on the restricted net assets of its consolidated subsidiaries and VIEs in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), “General Notes to Financial Statements” and concluded that it was applicable for the Company to disclose the financial information for the Company only.

The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-purpose financial statements of the reporting entity and should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments, or guarantees as of December 31, 2017.

NIO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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*Condensed Balance Sheets*

	As of December 31,		
	2016	2017	2017
	RMB	RMB	USD
			Note 2(e)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	79,691	23,270	3,517
Amounts due from related parties	20,837	1,243,251	187,885
Prepayments and other current assets	19,917	1,642	248
<b>Total current assets</b>	<b>120,445</b>	<b>1,268,163</b>	<b>191,650</b>
Non-current assets:			
Investments in subsidiaries and VIEs	893,700	6,977,051	1,054,396
<b>Total non-current assets</b>	<b>893,700</b>	<b>6,977,051</b>	<b>1,054,396</b>
<b>Total assets</b>	<b>1,014,145</b>	<b>8,245,214</b>	<b>1,246,046</b>
<b>LIABILITIES</b>			
Current liabilities:			
Amounts due to related parties	37,766	135,490	20,476
Accruals and other liabilities	19,582	55,027	8,316
<b>Total current liabilities</b>	<b>57,348</b>	<b>190,517</b>	<b>28,792</b>
<b>Total liabilities</b>	<b>57,348</b>	<b>190,517</b>	<b>28,792</b>
<b>MEZZANINE EQUITY</b>			
Series A-1 and A-2 convertible redeemable preferred shares	2,810,189	5,011,731	757,390
Series A-3 convertible redeemable preferred shares	306,678	427,129	64,549
Series B convertible redeemable preferred shares	2,014,903	2,294,980	346,826
Series C convertible redeemable preferred shares	—	4,454,596	673,195
Series D convertible redeemable preferred shares	—	7,547,760	1,140,645
Receivable from a holder of Series A-1 convertible redeemable preferred shares	(270,196)	—	—
Receivable from a holder of Series D convertible redeemable preferred shares	—	(78,410)	(11,850)
<b>Total mezzanine equity</b>	<b>4,861,574</b>	<b>19,657,786</b>	<b>2,970,755</b>
<b>SHAREHOLDERS' DEFICIT</b>			
Ordinary shares	52	60	9
Treasury shares	(9,186)	(9,186)	(1,388)
Additional paid in capital	70,850	131,907	19,934
Accumulated other comprehensive income/(loss)	110,452	(13,922)	(2,104)
Accumulated deficit	(4,076,945)	(11,711,948)	(1,769,952)
<b>Total shareholders' deficit</b>	<b>(3,904,777)</b>	<b>(11,603,089)</b>	<b>(1,753,501)</b>
<b>Total liabilities, mezzanine equity and shareholders' deficit</b>	<b>1,014,145</b>	<b>8,245,214</b>	<b>1,246,046</b>

NIO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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*Condensed Statements of Comprehensive Loss*

	For the Year ended December 31,		
	2016	2017	2017
	RMB	RMB	USD
			Note 2(e)
<b>Operating expenses:</b>			
Selling, general and administrative	(24,684)	(52,518)	(7,937)
<b>Total operating expenses</b>	<b>(24,684)</b>	<b>(52,518)</b>	<b>(7,937)</b>
<b>Loss from operations</b>	<b>(24,684)</b>	<b>(52,518)</b>	<b>(7,937)</b>
Interest income	24,309	2,391	361
Interest expense	—	(12,389)	(1,872)
Equity in loss of subsidiaries and VIEs	(2,539,323)	(4,924,897)	(744,268)
Investment income	2,670	3,498	529
Other income/(loss), net	712	(819)	(124)
<b>Loss before income tax expense</b>	<b>(2,536,316)</b>	<b>(4,984,734)</b>	<b>(753,311)</b>
Income tax expense	—	—	—
<b>Net loss</b>	<b>(2,536,316)</b>	<b>(4,984,734)</b>	<b>(753,311)</b>
Accretion on convertible redeemable preferred shares to redemption value	(981,233)	(2,576,935)	(389,436)
<b>Net loss attributable to ordinary shareholders of NIO Inc.</b>	<b>(3,517,549)</b>	<b>(7,561,669)</b>	<b>(1,142,747)</b>

NIO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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*Condensed Statements of Cash Flows*

	For The Year ended December 31,		
	2016 RMB	2017 RMB	2017 USD Note 2(e)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	(2,540,639)	(4,920,905)	(743,665)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of trading securities	3,118,559	1,340,911	202,643
Purchase of held for trading securities	(2,346,261)	(1,337,413)	(202,115)
Acquisitions of equity investees	(669,433)	(6,223,178)	(940,469)
Net cash provided by/(used in) investing activities	102,865	(6,219,680)	(939,941)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of stock options	—	6,207	938
Proceeds from issuance of convertible promissory note	—	312,624	47,245
Repayment of convertible promissory note	—	(325,013)	(49,117)
Proceeds from issuance of convertible redeemable preferred shares, net of issuance costs	2,260,444	11,093,377	1,676,471
Net cash provided by financing activities	2,260,444	11,087,195	1,675,537
Effects of exchange rate changes on cash and cash equivalents	(7,323)	(3,031)	(458)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(184,653)	(56,421)	(8,527)
Cash and cash equivalents at beginning of the year	264,344	79,691	12,043
Cash and cash equivalents at end of the year	79,691	23,270	3,516

*Basis of presentation*

The Company's accounting policies are the same as the Group's accounting policies with the exception of the accounting for the investments in subsidiaries and VIEs.

For the Company only condensed financial information, the Company records its investments in subsidiaries and VIEs under the equity method of accounting as prescribed in ASC 323, Investments—Equity Method and Joint Ventures.

Such investments are presented on the Condensed Balance Sheets as "Investments in subsidiaries and VIEs" and shares in the subsidiaries and VIEs' loss are presented as "Equity in loss of subsidiaries and VIEs" on the Condensed Statements of Comprehensive Loss. The parent company only condensed financial information should be read in conjunction with the Group's consolidated financial statements.

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS  
(All amounts in thousands, except for share and per share data)

	As of December 31, 2017 RMB	2018 RMB	2018 USD Note 2(e)	As of June 30, 2018 RMB Pro forma (Note 28)	2018 USD Note 2(e) Pro forma (Note 28)
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	7,505,954	4,423,234	668,455	4,423,234	668,455
Restricted cash	10,606	20,092	3,036	20,092	3,036
Trade receivable	—	18,436	2,786	18,436	2,786
Amounts due from related parties	29,556	67,065	10,135	67,065	10,135
Inventory	89,464	721,880	109,093	721,880	109,093
Prepayments and other current assets	674,425	1,221,337	184,573	1,221,337	184,573
<b>Total current assets</b>	<b>8,310,005</b>	<b>6,472,044</b>	<b>978,078</b>	<b>6,472,044</b>	<b>978,078</b>
Non-current assets:					
Long-term restricted cash	14,293	36,398	5,501	36,398	5,501
Property, plant and equipment, net	1,911,013	3,189,004	481,934	3,189,004	481,934
Intangible assets, net	4,457	4,324	653	4,324	653
Land use rights, net	—	221,090	33,412	221,090	33,412
Long-term investments	47,125	49,115	7,422	49,115	7,422
Amounts due from related parties	50,000	50,000	7,556	50,000	7,556
Other non-current assets	131,141	254,122	38,404	254,122	38,404
<b>Total non-current assets</b>	<b>2,158,029</b>	<b>3,804,053</b>	<b>574,882</b>	<b>3,804,053</b>	<b>574,882</b>
<b>Total assets</b>	<b>10,468,034</b>	<b>10,276,097</b>	<b>1,552,960</b>	<b>10,276,097</b>	<b>1,552,960</b>
<b>LIABILITIES</b>					
Current liabilities:					
Short-term borrowings	28,787	180,583	27,290	180,583	27,290
Trade payable	234,011	708,269	107,036	708,269	107,036
Amounts due to related parties	40,069	22,284	3,368	22,284	3,368
Taxes payable	30,055	33,326	5,036	33,326	5,036
Current portion of long-term borrowings	—	143,100	21,626	143,100	21,626
Accruals and other liabilities	1,285,592	2,218,926	335,331	2,020,132	305,290
<b>Total current liabilities</b>	<b>1,618,514</b>	<b>3,306,488</b>	<b>499,687</b>	<b>3,107,694</b>	<b>469,646</b>
Non-current liabilities:					
Long-term borrowings	642,401	932,652	140,946	932,652	140,946
Other non-current liabilities	141,113	193,922	29,306	193,922	29,306
<b>Total non-current liabilities</b>	<b>783,514</b>	<b>1,126,574</b>	<b>170,252</b>	<b>1,126,574</b>	<b>170,252</b>
<b>Total liabilities</b>	<b>2,402,028</b>	<b>4,433,062</b>	<b>669,939</b>	<b>4,234,268</b>	<b>639,898</b>
<b>Commitments and contingencies (Note 27)</b>					

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)  
(All amounts in thousands, except for share and per share data)

	As of December 31, 2017	As of June 30,			
	RMB	2018 RMB	2018 USD Note 2(e)	2018 RMB Pro forma (Note 28)	2018 USD Note 2(e) Pro forma (Note 28)
<b>MEZZANINE EQUITY</b>					
<b>Series A-1 and A-2 convertible redeemable preferred shares</b> (USD0.00025 par value; 295,000,000 authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	5,011,731	8,863,640	1,339,505	—	—
<b>Series A-3 convertible redeemable preferred shares</b> (USD0.00025 par value; 31,720,364 authorized, 24,210,431 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	427,129	735,470	111,147	—	—
<b>Series B convertible redeemable preferred shares</b> (USD0.00025 par value; 114,867,321 authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	2,294,980	3,584,015	541,629	—	—
<b>Series C convertible redeemable preferred shares</b> (USD0.00025 par value; 167,142,990 authorized, 166,205,830 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	4,454,596	5,501,198	831,361	—	—
<b>Series D convertible redeemable preferred shares</b> (USD0.00025 par value; 240,000,000 authorized, 213,585,003 issued and outstanding as of December 31, 2017 and June 30, 2018; no shares issued and outstanding on a pro-forma basis as of June 30, 2018)	7,547,760	7,796,397	1,178,220	—	—
Receivable from a holder of Series D convertible redeemable preferred shares	(78,410)	—	—	—	—
Redeemable non-controlling interests	—	1,124,900	169,999	1,124,900	169,999
<b>Total mezzanine equity</b>	<b>19,657,786</b>	<b>27,605,620</b>	<b>4,171,861</b>	<b>1,124,900</b>	<b>169,999</b>

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)  
(All amounts in thousands, except for share and per share data)

	As of December 31, 2017	As of June 30,			
	RMB	2018 RMB	2018 USD Note 2(e)	2018 RMB Pro forma (Note 28)	2018 USD Note 2(e) Pro forma (Note 28)
<b>SHAREHOLDERS' DEFICIT</b>					
<b>Ordinary shares</b> (USD0.00025 par value; 1,151,269,325 shares authorized as of December 31, 2017 and June 30, 2018; 36,727,350 and 41,178,902 shares issued and 23,850,343 and 31,540,943 shares outstanding as of December 31, 2017 and June 30, 2018, respectively; No shares issued and outstanding on a pro-forma basis as of June 30, 2018)	60	67	10	—	—
<b>Class A Ordinary shares</b> (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 and June 30, 2018; 570,511,756 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	—	944	143
<b>Class B Ordinary Shares</b> (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 June 30, 2018; 132,030,222 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	—	218	33
<b>Class C Ordinary Shares</b> (USD0.00025 par value; No shares authorized, issued and outstanding as of December 31, 2017 June 30, 2018; 148,500,000 shares issued and outstanding on a pro-forma basis as of June 30, 2018)	—	—	—	246	37
Treasury shares	(9,186)	(9,186)	(1,388)	(9,186)	(1,388)
Additional paid in capital	131,907	169,562	25,625	26,847,735	4,057,325
Accumulated other comprehensive loss	(13,922)	(167,077)	(25,249)	(167,077)	(25,249)
Accumulated deficit	(11,711,948)	(21,766,482)	(3,289,429)	(21,766,482)	(3,289,429)
<b>Total NIO Inc. shareholders' (deficit)/equity</b>	<b>(11,603,089)</b>	<b>(21,773,116)</b>	<b>(3,290,431)</b>	<b>4,906,398</b>	<b>741,472</b>
Non-controlling interests	11,309	10,531	1,591	10,531	1,591
<b>Total shareholders' (deficit)/equity</b>	<b>(11,591,780)</b>	<b>(21,762,585)</b>	<b>(3,288,840)</b>	<b>4,916,929</b>	<b>743,063</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>10,468,034</b>	<b>10,276,097</b>	<b>1,552,960</b>	<b>10,276,097</b>	<b>1,552,960</b>

The accompanying notes are an integral part of these consolidated financial statements.



NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
(All amounts in thousands, except for share and per share data)

	Six Months Ended June 30,		
	2017 RMB	2018 RMB	2018 USD Note 2(e)
Revenue:			
Vehicle sales	—	44,399	6,710
Other sales	—	1,592	241
<b>Total revenues</b>	—	45,991	6,951
Cost of sales:			
Vehicle sales	—	(185,531)	(28,038)
Other sales	—	(13,648)	(2,063)
<b>Total cost of sales</b>	—	(199,179)	(30,101)
Gross loss	—	(153,188)	(23,150)
Operating expenses:			
Research and development	(1,031,253)	(1,459,344)	(220,541)
Selling, general and administrative	(964,363)	(1,726,297)	(260,884)
<b>Total operating expenses</b>	(1,995,616)	(3,185,641)	(481,425)
<b>Loss from operations</b>	(1,995,616)	(3,338,829)	(504,575)
Interest income	4,730	49,565	7,490
Interest expenses	(12,681)	(19,642)	(2,968)
Share of losses of equity investee	(2,986)	(7,358)	(1,112)
Investment income	1,991	—	—
Other loss, net	(11,635)	(4,897)	(740)
<b>Loss before income tax expense</b>	(2,016,197)	(3,321,161)	(501,905)
Income tax expense	(4,325)	(4,368)	(660)
<b>Net loss</b>	(2,020,522)	(3,325,529)	(502,565)
Accretion on convertible redeemable preferred shares to redemption value	(1,139,341)	(6,744,283)	(1,019,220)
Net loss attributable to non-controlling interests	29,271	15,278	2,309
<b>Net loss attributable to ordinary shareholders of NIO Inc.</b>	(3,130,592)	(10,054,534)	(1,519,476)
<b>Net loss</b>	(2,020,522)	(3,325,529)	(502,565)
<b>Other comprehensive loss</b>			
Foreign currency translation adjustment, net of nil tax	(29,678)	(153,155)	(23,145)
<b>Total other comprehensive loss</b>	(29,678)	(153,155)	(23,145)
<b>Total comprehensive loss</b>	(2,050,200)	(3,478,684)	(525,710)
Accretion on convertible redeemable preferred shares to redemption value	(1,139,341)	(6,744,283)	(1,019,220)
Net loss attributable to non-controlling interests	29,271	15,278	2,309
<b>Comprehensive loss attributable to ordinary shareholders of NIO Inc.</b>	(3,160,270)	(10,207,689)	(1,542,621)
<b>Weighted average number of ordinary shares used in computing net loss per share</b>			
Basic and diluted	20,141,298	28,661,459	28,661,459
<b>Net loss per share attributable to ordinary shareholders</b>			
Basic and diluted	(155.43)	(350.80)	(53.01)

The accompanying notes are an integral part of these consolidated financial statements.

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT  
(All amounts in thousands, except for share and per share data)

	Ordinary Shares		Treasury Shares		Additional Paid in Capital	Accumulated Other Comprehensive Income/(Loss)	Accumulated Deficit	Total Shareholders' Deficit	Non- Controlling Interests	Total Equity
	Shares	Par Value	Shares	Amount						
<b>Balance as of December 31, 2016</b>	32,003,810	52	(14,230,351)	(9,186)	70,850	110,452	(4,076,945)	(3,904,777)	(11,583)	(3,916,360)
Accretion on Series A-1 and A-2 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(1,019,848)	(1,019,848)	—	(1,019,848)
Accretion on Series A-3 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(40,755)	(40,755)	—	(40,755)
Accretion on Series B convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(34,166)	(34,166)	—	(34,166)
Accretion on Series C convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(44,572)	(44,572)	—	(44,572)
Exercise of share options	577,038	1	—	—	945	—	—	946	—	946
Vesting of restricted shares	—	—	2,743,688	—	10,343	—	—	10,343	—	10,343
Vesting of share options	—	—	—	—	14,004	—	—	14,004	—	14,004
Foreign currency translation adjustment	—	—	—	—	—	(29,678)	—	(29,678)	—	(29,678)
Net loss	—	—	—	—	—	—	(1,991,251)	(1,991,251)	(29,271)	(2,020,522)
<b>Balance as of June 30, 2017</b>	<u>32,580,848</u>	<u>53</u>	<u>(11,486,663)</u>	<u>(9,186)</u>	<u>96,142</u>	<u>80,774</u>	<u>(7,207,537)</u>	<u>(7,039,754)</u>	<u>(40,854)</u>	<u>(7,080,608)</u>

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT (CONTINUED)  
(All amounts in thousands, except for share and per share data)

	Ordinary Shares		Treasury Shares		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Deficit	Non- Controlling Interests	Total Equity
	Shares	Par Value	Shares	Amount						
<b>Balance as of December 31, 2017</b>	36,727,350	60	(12,877,007)	(9,186)	131,907	(13,922)	(11,711,948)	(11,603,089)	11,309	(11,591,780)
Accretion on Series A-1 and A-2 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(3,851,909)	(3,851,909)	—	(3,851,909)
Accretion on Series A-3 convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(308,341)	(308,341)	—	(308,341)
Accretion on Series B convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(1,289,035)	(1,289,035)	—	(1,289,035)
Accretion on Series C convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(1,046,602)	(1,046,602)	—	(1,046,602)
Accretion on Series D convertible redeemable preferred shares to redemption value	—	—	—	—	—	—	(248,396)	(248,396)	—	(248,396)
Exercise of share options	4,451,552	7	—	—	11,764	—	—	11,771	—	11,771
Vesting of restricted shares	—	—	3,239,048	—	11,478	—	—	11,478	—	11,478
Vesting of share options	—	—	—	—	14,413	—	—	14,413	—	14,413
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	14,500	14,500
Acquisition of additional interests in subsidiaries from non-controlling interests	—	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	(153,155)	—	(153,155)	—	(153,155)
<b>Net loss</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3,310,251)</b>	<b>(3,310,251)</b>	<b>(15,278)</b>	<b>(3,325,529)</b>
<b>Balance as of June 30, 2018</b>	<b>41,178,902</b>	<b>67</b>	<b>(9,637,959)</b>	<b>(9,186)</b>	<b>169,562</b>	<b>(167,077)</b>	<b>(21,766,482)</b>	<b>(21,773,116)</b>	<b>10,531</b>	<b>(21,762,585)</b>

The accompanying notes are an integral part of these consolidated financial statements.

NIO INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(All amounts in thousands, except for share and per share data)

	Six Months Ended June 30,		
	2017	2018	2018
	RMB	RMB	USD
			Note 2(e)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	(2,020,522)	(3,325,529)	(502,565)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	66,519	145,074	21,924
Foreign exchange loss	8,156	9,371	1,416
Share-based compensation expenses	35,838	105,564	15,953
Investment income	(1,991)	—	—
Share of losses of equity investee	2,986	7,358	1,112
Loss on disposal of property and equipment	—	163	25
Changes in operating assets and liabilities:			
Prepayments and other current assets	(135,253)	(539,363)	(81,510)
Inventories	(75,161)	(632,416)	(95,573)
Other non-current assets	(67,444)	(72,052)	(10,889)
Taxes payable	(15)	3,409	515
Accruals and other liabilities	38,331	610,038	92,191
Other non-current liabilities	15,912	53,603	8,100
Net cash used in operating activities	(2,132,644)	(3,634,780)	(549,301)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets	(469,618)	(1,079,270)	(163,103)
Purchase of trading securities	(1,337,413)	—	—
Sale of held for trading securities	137,793	—	—
Loan to related parties	—	(65,342)	(9,875)
Acquisitions of equity investees	(52,500)	(9,350)	(1,413)
Net cash used in investing activities	(1,721,738)	(1,153,962)	(174,391)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of stock options	946	11,771	1,779
Proceeds from issuance of series A convertible redeemable preferred shares, net of issuance costs	273,686	—	—
Proceeds from issuance of series B convertible redeemable preferred shares, net of issuance costs	240,066	—	—
Proceeds from issuance of series C convertible redeemable preferred shares, net of issuance costs	4,031,971	—	—
Proceeds from collection of receivable from a holder of Series D convertible redeemable preferred shares	—	78,651	11,886
Capital injection from non-controlling interests	—	14,500	2,191
Proceeds from issuance of redeemable non-controlling interests	—	1,124,900	169,999
Repayment of non-recourse loan	—	82,863	12,523
Proceeds from borrowings	160,617	613,934	92,780
Proceeds from issuance of convertible promissory note	312,624	—	—
Repayment of borrowings	—	(28,787)	(4,350)
Repayment of convertible promissory note	(325,013)	—	—
Net cash provided by financing activities	4,694,897	1,897,832	286,808
Effects of exchange rate changes on cash and cash equivalents	(18,567)	(160,219)	(24,214)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	821,948	(3,051,129)	(461,098)
Cash, cash equivalents and restricted cash at beginning of the period	596,631	7,530,853	1,138,090
Cash, cash equivalents and restricted cash at end of the period	1,418,579	4,479,724	676,992
<b>Supplemental Disclosure</b>			
Interest paid	12,634	41,002	6,196
Income taxes paid	843	7,915	1,196

The accompanying notes are an integral part of these consolidated financial statements.

**NIO INC.**

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

(All amounts in thousands, except for share and per share data)

**1. Organization and Nature of Operations**

NIO Inc. (“NIO”, or “the Company”) was incorporated under the laws of the Cayman Islands in November, 2014, as an exempted company with limited liability. The Company was formerly known as NextCar Inc.. It changed its name to NextEV Inc. in December, 2014, and then changed to NIO Inc. in July, 2017. The Company, its subsidiaries and consolidated variable interest entities (“VIEs”) are collectively referred to as “the Group”.

The Group designs and develops high-performance fully electric vehicles. It launched the first volume manufactured electric vehicle, the ES8, to the public in December 2017. The Group jointly manufactures ES8 through strategic collaboration with other Chinese vehicle manufacturers. The Group also offers Energy and Service Packages to its users. As of December 31, 2017 and June 30, 2018, its primary operations are conducted in the People’s Republic of China (“PRC”). The Group began to sell its first vehicles in June 2018. The Company’s principal subsidiaries and VIEs are as follows:

<b>Subsidiaries</b>	<b>Equity interest held</b>	<b>Place and date of incorporation or date of acquisition</b>	<b>Principal activities</b>
NIO NextEV Limited (“NIO HK”) (formerly known as NextEV Limited)	100%	Hong Kong, February 2015	Investment holding
NIO GmbH (formerly known as NextEV GmbH)	100%	Germany, May 2015	Design and technology development
NIO Co., Ltd. (“NIO SH”) (formerly known as NextEV Co., Ltd.)	100%	Shanghai, PRC, May 2015	Headquarter and technology development
NIO USA, Inc. (“NIO US”) (formerly known as NextEV USA, Inc.)	100%	United States, November 2015	Technology development
XPT Limited (“XPT”)	100%	Hong Kong, December 2015	Investment holding
NIO NextEV (UK) Ltd. (formerly known as NextEV (UK) Limited)	100%	United Kingdom, February 2016	Marketing and technology development
NIO Sport Limited (“NIO Sport”) (formerly known as NextEV NIO Sport Limited)	100%	Hong Kong, April 2016	Racing management
XPT Technology Limited (“XPT Technology”)	100%	Hong Kong, April 2016	Investment holding
XPT Inc. (“XPT US”)	100%	United States, April 2016	Technology development
XPT (Jiangsu) Investment Co., Ltd. (“XPT Jiangsu”)	100%	Jiangsu, PRC, May 2016	Investment holding
Shanghai XPT Technology Limited	100%	Shanghai, PRC, May 2016	Technology development

NIO INC.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (CONTINUED)

(All amounts in thousands, except for share and per share data)

Subsidiaries	Equity interest held	Place and date of incorporation or date of acquisition	Principal activities
XPT (Nanjing) E-Powertrain Technology Co., Ltd. ("XPT NJEP")	100%	Nanjing, PRC, July 2016	Manufacturing of E-Powertrain
XPT (Nanjing) Energy Storage System Co., Ltd. ("XPT NJES")	100%	Nanjing, PRC, October 2016	Manufacturing of battery pack
NIO Power Express Limited ("PE HK")	100%	Hong Kong, January 2017	Investment holding
NextEV User Enterprise Limited ("UE HK")	100%	Hong Kong, February 2017	Investment holding
Shanghai NIO Sales and Services Co., Ltd. ("UE CNHC")	100%	Shanghai, PRC, March 2017	Investment holding and sales and after sales management
NIO Energy Investment (Hubei) Co., Ltd. ("PE CNHC")	100%	Wuhan PRC, April 2017	Investment holding
Wuhan NIO Energy Co., Ltd. ("PE WHJV")	100%	Wuhan, PRC, May 2017	Investment holding
XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd. ("XPT NJWL")	50%	Nanjing, PRC, June 2017	Manufacturing of components

VIE and VIE's subsidiaries	Economic interest held	Place and date of incorporation or date of acquisition
Prime Hubs Limited ("Prime Hubs")	100%	BVI, October 2014
NIO Technology Co., Ltd. ("NIO SHTECH") (formerly known as Shanghai NextEV Technology Co., Ltd.)	100%	Shanghai, PRC, November 2014
Beijing NIO Network Technology Co., Ltd. ("NIO BJTECH")	100%	Beijing, PRC, July 2017
Shanghai Anbin Technology Co., Ltd. ("NIO ABTECH")	100%	Shanghai, PRC, April 2018

In accordance with the Article of Association of XPT NJWL, the Company has the power to control the board of directors of XPT NJWL to unilaterally govern the financial and operating policies of XPT NJWL and the Non-controlling shareholder does not have substantive participating rights, therefore, the Group consolidates this entity.

**Variable interest entity**

NIO SHTECH was established by Li Bin and Qin Lihong (the "Nominee Shareholders") in November, 2014. In 2015, NIO SH, NIO SHTECH, and the Nominee Shareholders of NIO SHTECH entered into a series of

NIO INC.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (CONTINUED)

(All amounts in thousands, except for share and per share data)

contractual agreements, including a loan agreement, an equity pledge agreement, exclusive call option agreement and power of attorney that irrevocably authorized the Nominee Shareholders designated by NIO SH to exercise the equity owner's rights over NIO SHTECH. These agreements provide the Company, as the only shareholder of NIO SH, with effective control over NIO SHTECH to direct the activities that most significantly impact NIO SHTECH's economic performance and enable the Company to obtain substantially all of the economic benefits arising from NIO SHTECH. Management concluded that NIO SHTECH is a variable interest entity of the Company and the Company is the ultimate primary beneficiary of NIO SHTECH and shall consolidate the financial results of NIO SHTECH in the Group's consolidated financial statements. In April 2018, the above mentioned contractual agreements were terminated. On the same date, NIO SHTECH became a subsidiary wholly owned by NIO ABTECH, who also became a VIE of the Group on that day. As of December 31, 2017 and June 30, 2018, NIO SHTECH did not have significant operations, nor any material assets or liabilities.

In October 2014, Prime Hubs, a British Virgin Islands ("BVI") incorporated company and a consolidated variable interest entity of the Group, was established by the shareholders of the Group to facilitate the adoption of the Company's employee stock incentive plans. The Company entered into a management agreement with Prime Hubs and Li Bin. The agreement provides the company with effective control over Prime Hubs and enables the Company to obtain substantially all of the economic benefits arising from Prime Hubs. As of December 31, 2017 and June 30, 2018, Prime Hubs held 26,900,001 ordinary shares of the Company.

In April 2018, NIO SH entered into a series of contractual arrangements with the Nominee Shareholders as well as NIO ABTECH and NIO BJTECH separately, each including a loan agreement, an equity pledge agreement, exclusive call option agreement and power of attorney that irrevocably authorized the Nominee Shareholders designated by NIO SH to exercise the equity owner's rights over NIO ABTECH and NIO BJTECH. These agreements provide the Company, as the only shareholder of NIO SH, with effective control over NIO ABTECH and NIO BJTECH to direct the activities that most significantly impact their economic performance and enable the Company to obtain substantially all of the economic benefits arising from them. Management concluded that NIO ABTECH and NIO BJTECH are variable interest entities of the Company and the Company is the ultimate primary beneficiary of them and shall consolidate the financial results of NIO ABTECH and NIO BJTECH in the Group's consolidated financial statements. As of June 30, 2018, NIO ABTECH and NIO BJTECH did not have significant operations, nor any material assets or liabilities.

**Liquidity**

The Group has been incurring losses from operations since inception. The Group incurred net losses of RMB2,020,522 and RMB3,325,529 for the six months ended June 30, 2017 and 2018, respectively. Accumulated deficit amounted to RMB11,711,948 and RMB21,766,482 as of December 31, 2017 and June 30, 2018, respectively. Net cash used in operating activities was approximately RMB2,132,644 and RMB3,634,780 for the six months ended June 30, 2017 and 2018, respectively. As of December 31, 2017 and June 30, 2018, the Group's working capital was RMB6,691,491 and RMB3,165,556.

The Group's liquidity is based on its ability to generate cash from operating activities, obtain capital financing from equity interest investors and borrow funds on favorable economic terms to fund its general operations and capital expansion needs. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenue while controlling operating cost and expenses to generate positive operating cash flows and obtaining funds from outside sources of financing to generate positive financing cash flows. As of December 31, 2017 and June 30,

NIO INC.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (CONTINUED)**

**(All amounts in thousands, except for share and per share data)**

2018, the Group's balance of cash and cash equivalents was RMB7,505,954 and RMB4,423,234. In addition, up to July 30, 2018, the Company has entered into loan facility agreements with several banks in China for a total principal amount of RMB4,765,000, which will be due by May 17, 2022. Moreover, the Group can adjust the pace of its operation expansion and control the operating expenses of the Group.

Based on cash flows projection from operating and financing activities and existing balance of cash and cash equivalents, management is of the opinion that the Group has sufficient funds for sustainable operations and it will be able to meet its payment obligations from operations and debt related commitments for the next twelve months from the issuance of the unaudited interim condensed consolidated financial statements. Based on the above considerations, the Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

**2. Summary of Significant Accounting Policies**

***(a) Basis of presentation***

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes normally included in the annual financial statements prepared in accordance with U.S. GAAP. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted consistent with Article 10 of Regulation S-X. In the opinion of management, the Group's unaudited interim condensed consolidated financial statements and accompanying notes include all adjustments (consisting of normal recurring adjustments) considered necessary for the fair statement of the Group's financial position as of June 30, 2018, and results of operations and cash flows for the six months ended June 30, 2017 and 2018. Interim results of operations are not necessarily indicative of the results for the full year or for any future period. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2017, and related notes included in the Group's audited consolidated financial statements. The financial information as of December 31, 2017 presented in the unaudited interim condensed consolidated financial statements is derived from the audited consolidated financial statements as of December 31, 2017. Significant accounting policies followed by the Group in the preparation of the accompanying unaudited interim condensed consolidated financial statements are summarized below.

***(b) Principles of consolidation***

The unaudited interim condensed consolidated financial statements include the financial statements of the Company, its subsidiaries and the VIE for which the Company is the ultimate primary beneficiary.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors (the "Board"); to cast majority of votes at the meeting of the Board or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.



NIO INC.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (CONTINUED)

(All amounts in thousands, except for share and per share data)

All significant transactions and balances between the Company, its subsidiaries and the VIE have been eliminated upon consolidation. The non-controlling interests in consolidated subsidiaries are shown separately in the unaudited interim condensed consolidated financial statements.

**(c) Use of estimates**

The preparation of the unaudited interim condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported period in the unaudited interim condensed consolidated financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements mainly include, but are not limited to, the valuation and recognition of share-based compensation arrangements, depreciable lives of property, equipment and software, useful life of intangible assets, assessment for impairment of long-lived assets and intangible assets, inventory valuation for excess and obsolete inventories, lower of cost and net realizable value of inventories, valuation of deferred tax assets as well as redemption value of the convertible redeemable preferred shares. Actual results could differ from those estimates.

**(d) Functional currency and foreign currency translation**

The Group's reporting currency is the Renminbi ("RMB"). The functional currency of the Company and its subsidiaries which are incorporated in HK is United States dollars ("USD"), except NIO Sport which operates mainly in United Kingdom and uses Great Britain pounds ("GBP"). The functional currencies of the other subsidiaries and the VIE are their respective local currencies. The determination of the respective functional currency is based on the criteria set out by ASC 830, *Foreign Currency Matters*.

Transactions denominated in currencies other than in the functional currency are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the applicable exchange rates at the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are re-measured using the exchange rates at the dates of the initial transactions. Exchange gains or losses arising from foreign currency transactions are included in the consolidated statements of comprehensive loss.

The financial statements of the Group's entities of which the functional currency is not RMB are translated from their respective functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB at the exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Income and expense items are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded in other comprehensive loss in the consolidated statements of comprehensive gain or loss, and the accumulated foreign currency translation adjustments are presented as a component of accumulated other comprehensive loss in the consolidated statements of convertible redeemable preferred shares and shareholders' deficit. Total foreign currency translation adjustment losses were RMB29,678 and RMB153,155 for the six months ended June 30, 2017 and 2018, respectively. The grant-date fair value of the Group's share-based compensation expenses is reported in USD as the respective valuation is conducted in USD as the shares are denominated in USD.

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*(e) Convenience translation*

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive loss and consolidated statements of cash flows from RMB into USD as of and for the six months ended June 30, 2018 are solely for the convenience of the reader and were calculated at the rate of USD1.00 = RMB6.6171, representing the noon buying rate in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on June 29, 2018. No representation is made that the RMB amounts represent or could have been, or could be, converted, realized or settled into USD at that rate on June 30, 2018, or at any other rate.

*(f) Cash, cash equivalents and restricted cash*

Cash, cash equivalents and restricted cash as reported in the consolidated statement of cash flows are presented separately on our consolidated balance sheet as follows:

	December 31, 2017	June 30, 2018
Cash and cash equivalents	7,505,954	4,423,234
Restricted cash	10,606	20,092
Long-term restricted cash	14,293	36,398
Total	<u>7,530,853</u>	<u>4,479,724</u>

*(g) Property, plant and equipment, net*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Property and equipment are depreciated at rates sufficient to write off their costs less impairment and residual value, if any, over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

The estimated useful lives are as follows:

	Useful lives
Building and construction	20 years
Motor vehicle	5 years
Production facilities	10 years
Computer and electronic equipment	3 years
Purchased software	3 years
R&D equipment	5 years
Office equipment	5 years
Leasehold improvements	Shorter of the estimated useful life or lease term
Others	3 to 5 years

Depreciation for tooling is computed using the units-of-production method whereby capitalized costs are amortized over the total estimated productive life of the related assets.

The cost of maintenance and repairs is expensed as incurred, whereas the cost of renewals and betterment that extends the useful lives of property, plant and equipment is capitalized as additions to the related assets.

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Interest expense on outstanding debt is capitalized during the period of significant capital asset construction. Capitalized interest on construction-in-progress is included within property, plant and equipment and is amortized over the life of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from their respective accounts, and any gain or loss on such sale or disposal is reflected in the statements of comprehensive loss.

**(h) Land use rights, net**

Land use rights are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives which are 536 months and represent the shorter of the estimated usage periods or the terms of the agreements.

**(i) Revenue recognition**

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract

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liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities were mainly resulted from the multiple performance obligations identified in the vehicle sales contract and the sales of Energy and Service Packages, which is recorded as deferred revenue and advance from customers.

*Vehicle sales*

The Group generates revenue from sales of electric vehicle, the ES8, together with a number of embedded products and services through a series of contracts. The Group identifies the users who purchase the ES8 as its customers. There are multiple distinct performance obligations explicitly stated in a series of contracts including sales of ES8, charging pile, vehicle internet connection service and extended lifetime warranty which are accounted for in accordance with ASC 606. The standard warranty provided by the Group is accounted for in accordance with ASC 460, Guarantees, and the estimated costs are recorded as a liability when NIO transfers the control of ES8 to the users.

Customers only pay the amount after deducting the government subsidy they are entitled to for the purchase of electric vehicles, which is applied on their behalf and collected by the Group or Jianghuai Automobile Group Co., Ltd. ("JAC") from the government. The Group has concluded the government subsidy should be considered as a part of the transaction price it charges the customers for the electric vehicle, as the subsidy is granted to the buyers of the electric vehicle and the buyers remain liable for such amount if in the event the subsidies were not received by the Group. For efficiency reason, the Group or JAC applies and collects the payment on customers' behalf. In the instance that some eligible customer selects installment payment for battery, the Group believes such arrangement contains a significant financing component and as a result adjusts the amount considering the impact of time value on the transaction price using an appropriate discount rate (i.e. the interest rates of the loan reflecting the credit risk of the borrower). Interest income resulting from a significant financing component will be presented separately from revenue from contracts with customers as this is not the Group's ordinary business.

The Group uses a cost plus a margin approach to determine the estimated standalone selling price for each individual distinct performance obligation identified, considering the Group's pricing policies and practices, and the data utilized in making pricing decisions. The overall contract price is then allocated to each distinct performance obligation based on the relative estimated standalone selling price in accordance with ASC 606. The revenue for ES8 sales and the charging pile are recognized at a point in time when the control of the product is transferred to the customer. For the vehicle internet connection service, the Group recognizes the revenue using a straight-line method. As for the extended lifetime warranty, given limited operating history and lack of historical data, the Group decides to recognize the revenue over time base on a straight-line method initially, and will continue monitoring the cost pattern periodically and adjust the revenue recognition pattern to reflect the actual cost pattern as it becomes available.

As the consideration for the vehicle and all embedded services must be paid in advance, which means the payments received are prior to the transfer of goods or services by the Group, the Group records a contract liability (deferred revenue) for the allocated amount regarding to those unperformed obligations.

*Sales of Energy and Service Packages*

The Group also sells the two packages, Energy Package and Service Package in exchange of considerations. The Energy Package provides ES8 users with a comprehensive range of charging solutions (including charging

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and battery swapping). The energy service is applied by users on the mobile application depending on their needs and the Group can decide the most appropriate service to offer according to its available resource. Through the Service Package, the Group offers ES8 users with a “worry free” vehicle ownership experience (including free repair service with certain limitations, routine maintenance service, enhanced data package, etc.), which can be applied by user via mobile application.

The Group identifies the users who purchase Energy Package and Service Package meet the definition of a customer. The agreements for Energy Package and Service Package create legal enforceability to both parties on a monthly basis as the respective Energy or Service Packages can be canceled at any time without any penalty. The Group concludes the energy or service provided in Energy Package or Service Package respectively meets the stand-ready criteria and contains only one performance obligation within each package, the revenue is recognized overtime on a monthly basis as customer simultaneously receives and consumes the benefits provided and the term of legally enforced contract is only one month.

*Incentives*

The Group offers a self-managed customer loyalty program points, which can be used in the Group’s online store and at NIO houses to redeem NIO merchandise. The Group determines the value of each points based on cost of the NIO merchandise that can be redeemed with points. Customers and NIO fans and advocates have a variety of ways to obtain the points. The major accounting policy for its points program is described as follows:

*(i) Sales of ES8 vehicle*

The Group concludes the points offered linked to the purchase transaction of the ES8 vehicle is a material right and accordingly a separate performance obligation according to ASC 606, and should be taken into consideration when allocating the transaction price of the ES8 sales. The Group also estimates the probability of the points redemption when perform the allocation. Since the historical information is not yet exist for the Group to determine any potential points forfeitures and the fact that most merchandises can be redeemed without requiring a significant amount of points comparing with the amount of points provided to users, the Group believes it is reasonable to assume all points will be redeemed and no forfeiture is estimated currently. The amount allocated to the points as separate performance obligation is recorded as contract liability (deferred revenue) and revenue should be recognized when future goods or services are transferred. The Group will continue to monitor when and if forfeiture rate data becomes available and will apply and update the estimated forfeiture rate at each reporting period.

*(ii) Sales of Energy Package*

Energy Package—When the customers charge their ES8 without using the Group’s charging network, the Group will grant points based on the actual cost the customers incur. The Group records the value of the points as a reduction of revenue from the Energy Package.

Since historical information does not yet exist for the Group to determine any potential points forfeiture and most merchandise can be redeemed without requiring a significant amount of points compared with the amount of points provided to users, the Group does not expect points forfeiture.

*(iii) Other scenarios*

Customers or the users of the mobile application can also obtain points through any other ways such as frequent sign-ins to the Group’s mobile application, sharing articles from the application to users’ own social

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media. The Group believes these points are to encourage user engagement and generate market awareness. As a result, the Group accounts for such points as selling and marketing expenses with a corresponding liability recorded under other current liabilities of its consolidated balance sheets upon the points offering. The Group estimates liabilities under the customer loyalty program based on cost of the NIO merchandise that can be redeemed, and its estimate of probability of redemption. At the time of redemption, the Group records a reduction of inventory and other current liabilities. In certain cases where merchandise is sold for cash in addition to points, the Group records other income, and for six months period ended June 30, 2017 and June 30, 2018, nil and RMB1,785 were recorded, respectively.

Similar to the reasons above, the Group estimates no points forfeiture currently and continue to assess when and if a forfeiture rate should be applied.

For the period ended June 30, 2018, the revenue portion allocated to the points as separate performance obligation was RMB90, which is recorded as contract liability (deferred revenue). For the period ended June 30, 2018, the total points recorded as a reduction of revenue was nil. For the period ended June 30, 2017 and 2018, the total points recorded as selling and marketing expenses were RMB5,569 and RMB48,012.

As of December 31, 2017 and June 30, 2018, liabilities recorded related to unredeemed points were RMB 16,460 and RMB42,227, respectively.

*Practical expedients and exemptions*

The Group follows the guidance for immaterial promises when identifying the performance obligations in the vehicle sales contracts and concludes the lifetime roadside assistance and out-of-town charging services are not performance obligations considering these two services are value-added services to enhance user experience rather than critical items for ES8 driving and forecasted usage for these two services are very limited. The Group also performs an estimation on the stand-alone fair value of each promises applying cost plus margin approach and concludes standalone fair value of roadside assistance and out-of-town charging services are insignificant individually and in aggregate, less than 1% of ES8 gross selling price and aggregate fair value of each individual promises.

Considering the qualitative assessment and the result of the quantitative estimate, the Group concluded not to assess whether promises are performance obligation if they are immaterial in the context of the contract and the relative stand-alone fair value individually and in aggregate is less than 3% of the contract price, namely the road-side assistance and out-of-town charging services. Related costs are then accrued instead.

**(j) Cost of Sales**

*Vehicle*

Cost of vehicle revenue includes direct parts, material, processing fee, loss compensation to JAC, labor costs, manufacturing overhead (including depreciation of assets associated with the production), shipping and logistic costs, and reserves for estimated warranty expenses. Cost of vehicle revenue also includes adjustments to warranty expense and charges to write-down the carrying value of the inventory when it exceeds its estimated net realizable value and to provide for on-hand inventory that is either obsolete or in excess of forecasted demand.

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*Service and Other*

Cost of service and other revenue includes direct parts, material, labor costs, vehicle internet connectivity costs, and depreciation of assets that are associated with sales of energy and service packages.

*(k) Sales and marketing expenses*

Sales and marketing expenses consist primarily of marketing and promotional expenses, salaries and other compensation-related expenses to sales and marketing personnel. Advertising expenses consist primarily of costs for the promotion of corporate image and product marketing. The Group expenses all advertising costs as incurred and classifies these costs under sales and marketing expenses. For the six months ended June 30, 2017 and 2018, advertising costs totaled RMB32,048 and RMB23,620, respectively.

*(l) Employee benefits*

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and VIE of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Total amounts of such employee benefit expenses, which were expensed as incurred, were approximately RMB97,982 and RMB193,079 for the six months ended June 30, 2017 and 2018, respectively.

**3. Recent Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*." This guidance supersedes current guidance on revenue recognition in Topic 605, "Revenue Recognition." In addition, there are disclosure requirements related to the nature, amount, timing, and uncertainty of revenue recognition. In August 2015, the FASB issued ASU No. 2015-14 to defer the effective date of ASU No. 2014-09 for all entities by one year. For publicly-traded business entities that follow U.S. GAAP, the deferral results in the new revenue standards' being effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted for interim and annual periods beginning after December 15, 2016. The Group started to generate revenue in June 2018.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). The main objective of this update is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. ASU 2016-01 changes how entities measure certain equity investments and present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. The guidance also changes certain disclosure requirements and other aspects of current U.S. GAAP. Further, in June 2018, the FASB issued "Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities," which provides further guidance on adjustments for observable transaction for equity securities without a readily determinable fair value and clarification on fair value option for liabilities instruments. ASU 2016-01 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2017. Early adoption by public entities is permitted only for certain provisions. The adoption of ASU 2016-01 has no impact on its consolidated financial statements.

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In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for reporting periods beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted. The ASU will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. In January 2018, the FASB issued ASU No. 2018-01, *Land Easement Practical Expedient Transition to Topic 842*, to permit an entity to elect an optional practical expedient to not evaluate land easements under ASC 842, that exist or expired before the entity's adoption of ASC 842 and that were not previously accounted for as leases under ASC 840. The ASU is effective during the same period of adoption of ASU 2016-02. We will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a modified retrospective approach, with certain practical expedients available. We intend to elect the available practical expedients upon adoption. Upon adoption, we expect our consolidated balance sheet to include a right of use asset and liability related to substantially all of our lease arrangements. We are continuing to assess the impact of adopting the ASU on our financial position, results of operations and related disclosures and have not yet determined whether the effect will be material.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 simplifies the accounting for share-based payment transactions specifically related to the tax effects associates with share-based compensation, an accounting policy election to determine how forfeitures are recorded and a change in the presentation requirements in the statement of cash flows. Non-public companies are also granted two additional optional provisions that would provide a practical expedient for determining the expected term and a one-time opportunity to change the measurement basis for all liability-classified awards to intrinsic value. There was no significant impact upon adoption in 2018.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard should be applied to each period presented using a retrospective transition method. The adoption of this standard does not have a material impact on the Group's consolidated financial statements, but resulted in restricted cash being included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statements of cash flows.

**4. Concentration and Risks****(a) Concentration of credit risk**

Assets that potentially subject the Group to significant concentrations of credit risk primarily consist of cash and cash equivalents, restricted cash and trade receivable. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of December 31, 2017 and June 30, 2018, all of the Group's cash and cash equivalents, restricted cash were held by major financial institutions located in the PRC and Hong Kong which management believes are of high credit quality. The PRC does not have an official deposit insurance program, nor does it have an agency similar to the Federal Deposit Insurance Corporation (FDIC) in the United States. However, the Group believes that the risk of failure of any of these PRC banks is remote. Bank failure is uncommon in China and the Group believes that those Chinese banks that hold the Group's cash and cash equivalents and restricted cash are financially sound based on publicly available information.



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*(b) Currency convertibility risk*

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents and restricted cash denominated in RMB that are subject to such government controls amounted to RMB914,460 and RMB1,965,536 as of December 31, 2017 and June 30, 2018, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

*(c) Foreign currency exchange rate risk*

Since July 21, 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against other currencies.

**5. Inventory**

Inventory consists of the following:

	December 31, 2017	June 30, 2018
Raw materials	44,061	572,248
Work in process	22,262	6,894
Finished goods	—	127,400
Merchandise	23,141	15,338
Total	<u>89,464</u>	<u>721,880</u>

Raw materials as of December 31, 2017 are mainly used for research and development purpose and will be expensed when incurred. In the second quarter of 2018, the Group started selling vehicles and procured raw materials for volume production purpose.

Work in progress are mainly used for research and development of new models and will be expensed when incurred. Electric drive systems in production are also recorded as work in progress.

Finished goods include vehicles ready for transit at production factory, vehicles in transit to fulfill customer orders, new vehicles available for immediate sale at our sales and service center locations, and charging piles.

Merchandise inventory includes branded merchandise of NIO which can be redeemed by deducting membership rewards points of customer loyalty program in the Group's application store.

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**6. Prepayments and Other Current Assets**

Prepayments and other current assets consist of the following:

	December 31, 2017	June 30, 2018
Deductible VAT input	456,774	693,294
Prepayment to vendors	185,401	468,811
Deposits	12,582	13,053
Other receivables	19,668	46,179
Total	<u>674,425</u>	<u>1,221,337</u>

Prepayment to vendors mainly consist of prepayment for raw materials, prepaid rental for offices and NIO Houses, and prepaid expenses for R&D services provided by suppliers.

**7. Property, Plant and Equipment, Net**

Property and equipment and related accumulated depreciation were as follows:

	December 31, 2017	June 30, 2018
Construction in process	1,016,643	875,876
Mould and tooling	2,619	871,038
Leasehold improvements	413,368	382,865
Building and construction	—	385,403
Computer and electronic equipment	178,534	281,632
Purchased software	135,775	171,551
R&D equipment	173,741	243,854
Production facilities	134,080	216,509
Office equipment	33,288	35,571
Motor vehicles	19,681	54,286
Others	24,712	47,640
Subtotal	2,132,441	3,566,225
Less: Accumulated depreciation	<u>(221,428)</u>	<u>(377,221)</u>
Total property and equipment, net	<u>1,911,013</u>	<u>3,189,004</u>

The Group recorded depreciation expenses of RMB65,535 and RMB143,719 for the six months ended June 30, 2017 and June 30, 2018, respectively.

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**8. Intangible Assets, Net**

Intangible assets and related accumulated amortization were as follows:

	December 31, 2017			June 30, 2018		
	Gross carrying value	Accumulated amortization	Net carrying value	Gross carrying value	Accumulated amortization	Net carrying value
Domain names and others	4,230	(1,017)	3,213	5,085	(1,461)	3,624
License	3,199	(1,955)	1,244	3,153	(2,453)	700
Total intangible assets, net	<u>7,429</u>	<u>(2,972)</u>	<u>4,457</u>	<u>8,238</u>	<u>(3,914)</u>	<u>4,324</u>

The Group recorded amortization expenses of RMB984 and RMB942 for the six months ended June 30, 2017 and 2018, respectively.

**9. Land Use Rights, Net**

Land use rights and related accumulated amortization were as follows:

	December 31, 2017	June 30, 2018
Land use rights	—	221,503
Less: Accumulated amortization—land use rights	—	(413)
Total Land use rights, net	<u>—</u>	<u>221,090</u>

In June 2018, XPT NJEP entered into an agreement to purchase the land use rights for manufacturing of e-powertrain for the Group.

The Group recorded amortization expenses for land use rights of nil and RMB413 for the six months ended June 30, 2017 and 2018, respectively.

**10. Other Non-current Assets**

Other non-current assets consist of the following:

	December 31, 2017	June 30, 2018
Prepayments for purchase of property and equipment	50,882	161,247
Receivable of battery installment	—	1,939
Long-term deposits	80,168	90,848
Others	91	88
Total	<u>131,141</u>	<u>254,122</u>

Long-term deposit mainly consists of rental deposit for offices and NIO Houses which will not be collectible within one year.

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**11. Short-term Borrowings**

Short-term borrowings consist of the following:

	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate Per Annum</b>	<b>Type</b>	<b>December 31, 2017</b>	<b>June 30, 2018</b>
Loan I—IX	2018/8/11 - 2019/6/24	180,583	4.35% - 5.00%	Bank loan	28,787	180,583

**12. Accruals and Other Liabilities**

Accruals and other liabilities consist of the following:

	<b>December 31, 2017</b>	<b>June 30, 2018</b>
Payables for purchase of property and equipment	410,726	1,006,307
Advance from customers	68,439	269,258
Payables for R&D expenses	247,923	195,783
Salaries and benefits payable	170,274	185,542
Exercised portion of non-recourse loan	—	171,104
Payables for marketing events	37,933	114,149
Accrued expenses	199,087	94,213
Loan from joint investor (current portion)	—	41,773
Non-recourse loan	55,028	27,690
Deposit from exercise of non-recourse loan	—	21,365
Payables for traveling	10,678	10,868
Interest payables	24,320	5,469
Current portion of deferred revenue	—	1,004
Warranty	—	430
Other payables	61,184	73,971
<b>Total</b>	<b>1,285,592</b>	<b>2,218,926</b>

**13. Long-term Borrowings**

Long-term borrowings consist of the following:

	<b>December 31, 2017</b>	<b>June 30, 2018</b>
Bank loan	454,901	548,652
Loan from joint investor	187,500	384,000
<b>Total</b>	<b>642,401</b>	<b>932,652</b>

On September 7, 2016, the Group entered into a joint investment agreement with Nanjing Xingzhi Technology Industry Development Co., Ltd (“Nanjing Xingzhi”, formerly known as Nanjing Zijin (New Harbor) Technology Entrepreneurial Special Community Construction Development Co., Ltd). Nanjing Xingzhi invested in XPT NJES, a subsidiary of the Group, with a contribution of RMB37,500. According to the agreement, the annual rate of return on investment of Nanjing Xingzhi equals the benchmark interest rate of one-year RMB loan

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announced by PBOC. Given Nanjing Xingzhi does not bear the risk of the losses and only entitles to fixed interest income, the Group regarded it a loan in substance and recorded it in liability with the interest expenses amortized through the period. On May 16, 2018, the Group entered into an agreement with Nanjing Xingzhi to purchase Nanjing Xingzhi's shareholding in XPT NJES at a price of RMB41,773, which approximately the entire principal plus interest accrued so far.

On May 17, 2017, the Group entered into a secured loan agreement with the Bank of Nanjing of a facility amount of RMB685,000 with a maturity date of May 17, 2022. As of June 30, 2018, the aggregated draw amounted to RMB576,752, among which RMB143,100 due within one year was presented under current portion of long-term borrowings and the loan interest payable to Bank of Nanjing was RMB2,621 with an effective interest rate of 4.75%~5.80% which is the current market rate. The loan was guaranteed by Nanjing Xingzhi as an incentive for XPT NJES to continue doing business in the respective region. There is no restrictive financial covenants attached to the loan.

On May 18, 2017, the Group entered into a joint investment agreement with Wuhan Donghu New Technology Development Zone Management Committee ("Wuhan Donghu") to set up a joint venture entity (the "PE WHJV"). Wuhan Donghu subscribed for RMB384,000 paid in capital in PE WHJV with 49% of the shares. On June 30, 2017, September 29, 2017 and April 16, 2018, Wuhan Donghu injected RMB50,000, RMB100,000 and RMB234,000 in cash to PE WHJV, respectively. Pursuant to the investment agreement, Wuhan Donghu does not have substantive participating rights to PE WHJV, nor is allowed to transfer its equity interest in PE WHJV to other third party. In addition, within five years or when the net assets of PE WHJV is less than RMB550,000, the Group is obligated to purchase from Wuhan Donghu all of its interest in PE WHJV at its investment amount paid plus interest at the current market rate announced by PBOC. As such, the Group consolidates PE WHJV. The investment by Wuhan Donghu is accounted for as a loan because it is only entitled to fixed interest income and subject to repayment within five years or upon the financial covenant violation.

On September 28, 2017, the Group entered into a loan agreement with China Merchants Bank of a facility amount of RMB200,000 with a maturity date of September 27, 2018. As of June 30, 2018, the aggregated draw amounted to RMB50,000 subject to a floating interest rate of 10% above the benchmark interest rate of three-year RMB loan announced by PBOC.

On February 2, 2018, the Group entered into a loan agreement with China CITIC Bank of a principal of RMB50,000 with a maturity date of February 1, 2021. The loan is subject to a floating interest rate of 10% above the average quoted interest rate of one-year RMB loan announced by the National Interbank Funding Center.

On May 14, 2018, the Group entered into a loan agreement with Bank of Shanghai of a facility amount of RMB1,500,000 with a maturity date of December 15, 2025. As of June 30, 2018, the aggregated draw amounted to RMB15,000 subject to a floating interest rate of 20% above the benchmark interest rate of five-year RMB loan announced by PBOC.

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**14. Other Non-Current Liabilities**

Other non-current liabilities consist of the following:

	December 31, 2017	June 30, 2018
Deferred construction allowance	61,771	95,647
Rental payable	48,926	64,029
Deferred government grants	30,416	32,163
Warranty	—	1,214
Deferred revenue	—	869
Total	<u>141,113</u>	<u>193,922</u>

Rental payable represents the difference between the straight-line rental expenses and the actual rental fee paid for long term rental agreements.

**15. Revenue**

Revenue by source consists of the following:

	Six Months Ended June 30,	
	2017	2018
Vehicle sales	—	44,399
Sales of charging pile	—	1,582
Sales of Packages	—	7
Others	—	3
Total revenue	<u>—</u>	<u>45,991</u>

Deferred revenue consists of the following:

	December 31, 2017	June 30, 2018
Vehicle sales	<u>—</u>	<u>1,873</u>

There are no other unfulfilled performance obligations other than deferred revenue.

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*(a) Significant change in deferred revenue*

Deferred revenue equals to the total transaction price allocated to the performance obligations that are unsatisfied, or partially satisfied, which mainly arises from the undelivered charging pile, the vehicle internet connection service, the extended lifetime warranty service as well as the points offered to customers embedded in the ES8 sales contract. The following table shows a conciliation in the current reporting period related to carried-forward deferred revenue.

	Six Months Ended June 30, 2018	
	Vehicle Sales	Sales of Packages
Deferred revenue – beginning of period	—	—
Additions	1,955	—
Revenue recognized	(82)	—
Deferred revenue – end of period	<u>1,873</u>	<u>—</u>

The Group expects that 54% of the transaction price allocated to unsatisfied performance obligation as at June 30, 2018 will be recognized as revenue during the period from June 30, 2018 to June 30, 2019. The remaining 46% will be recognized during the period from July 1, 2019 to December 31, 2022.

**16. Manufacturing in collaboration with JAC**

The Group entered into an arrangement with JAC for the manufacture of the ES8 for five years in May 2016. Pursuant to the arrangement, JAC will build up a new manufacturing plant (“Hefei Manufacturing Plant”) and is responsible for the equipment used on the product line while NIO is responsible for the tooling. For each vehicle produced the Group will pay processing fee to JAC on a per-vehicle basis monthly for the first three years on the basis that NIO will provide all the raw materials to JAC. In addition, for the first 36 months after agreed time of start of production, which is April 2018, the Group will compensate JAC operating losses incurred in Hefei Manufacturing Plant. For the six months ended June 30, 2017 and 2018, JAC charged the Group nil and RMB65,065, respectively, based on the actual losses incurred in Hefei Manufacturing Plant during the same periods, which was recorded into cost of sales.

**17. Research and Development Expenses**

Research and development expenses consist of the following:

	Six Months Ended June 30,	
	2017	2018
Employee compensation	441,577	745,515
Design and development expenses	537,418	600,576
Travel expenses	23,284	42,165
Depreciation and amortization expenses	16,903	37,144
Rental and related expenses	4,829	15,368
Others	7,242	18,576
Total	<u>1,031,253</u>	<u>1,459,344</u>

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**18. Selling, General and Administrative Expenses**

Selling, general and administrative expenses consist of the following:

	Six Months Ended June 30,	
	2017	2018
Employee compensation	399,729	796,121
Marketing and promotional expenses	220,136	263,844
Professional services	121,001	185,683
Rental and related expenses	73,513	174,567
Depreciation and amortization expenses	49,616	107,930
IT consumable, office supply and other low value consumable	25,288	59,598
Travel expenses	23,725	57,922
Others	51,355	80,632
Total	964,363	1,726,297

**19. Convertible Promissory Note**

On February 16, 2017, the Company issued convertible promissory note (“the Note”) in the aggregated principal amount of USD48,000 (RMB312,624 equivalent) to one of its existing convertible redeemable preferred shareholder with compounding interest at 15% per annum, maturing 90 days after the issuance date. Pursuant to the Note agreements, the holders of the Note may (i) convert the outstanding principal and accrued interest of the Note into the most recent round of equity security at a conversion price equal to 97% of the per share price paid by the investors in the event that the Company issues and sells equity security to investors on or before the date of the repayment in full of this Note in an equity financing resulting in gross proceeds to the Company of at least USD100,000 (“Qualified Financing”), however, the Company and the Note holder both agreed that the 3% discount on the price shall not be applicable to the Series C Convertible Redeemable Preferred Shares (“Series C Preferred Shares”), or (ii) convert the outstanding principal and accrued interest of the Note into Series B Convertible Redeemable Preferred Shares (“Series B Preferred Shares”) of the Company at a conversion price of USD2.751 per share if no Qualified Financing occurred before prior to the maturity date. The Company may elect to repay the accrued interests in cash under either way. The issuance cost for the Note was immaterial. On May 17, 2017, the Note was fully repaid in cash together with the accrued interest of USD1,800 (RMB12,389 equivalent).

**20. Convertible Redeemable Preferred Shares**

In March 2015, the Company issued 165,000,000 shares of Series A-1 convertible redeemable preferred shares (“Series A-1 Preferred Shares”) for USD1.00 per share for cash of USD165,000. The total consideration was paid in three instalments and were fully paid in January 2017. In March and May 2015, the Company issued 130,000,000 shares of Series A-2 convertible redeemable preferred shares (“Series A-2 Preferred Shares”) for USD1.00 per share for cash of USD130,000. In September 2015, the Company issued 24,210,431 shares of Series A-3 Preferred Shares for USD1.6522 per share for cash of USD40,000. The Series A-1, A-2 and A-3 Preferred Shares are collectively referred to as the “Series A Preferred Shares”.

In June, July, August, September 2016 and February 2017, the Company issued 114,867,321 shares of Series B convertible redeemable preferred shares (“Series B Preferred Shares”) for USD2.751 per share for cash of USD316,000.



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In March, April, May and July 2017, the Company issued 166,205,830 shares of Series C convertible redeemable preferred shares ("Series C Preferred Shares") for USD3.885 per share for cash of USD645,709.

In November and December 2017, the Company issued 211,156,415 shares of Series D convertible redeemable preferred shares ("Series D Preferred Shares") for USD5.353 per share for cash of USD1,130,320. USD12,000 out of the total consideration from one of the investor was not paid until March 28, 2018 and it was treated as a reduction of Series D Preferred Shares until it was paid. In addition, a finder's commission of USD26,000 was incurred for the Series D Preferred Shares financing. The Company paid 50% of the commission in cash amounted USD13,000 and the remaining 50% by issuance of 2,428,588 shares of Series D Preferred Shares for free to the financial advisory. The total of the finder's commission was also recorded as an issuance cost as a deduction of the preferred shares.

The Series A-1, A-2, A-3, B, C and D Preferred Shares are collectively referred to as the "Preferred Shares". All series of Preferred Shares have the same par value of USD0.00025 per share.

The Company classified the Preferred Shares in the mezzanine section of the consolidated balance sheets because they were redeemable at the holders' option any time after a certain date and were contingently redeemable upon the occurrence of certain liquidation events outside of the Company's control, that being the Company's failure to complete a QIPO by December 31, 2021. The Preferred Shares are recorded initially at fair value, net of issuance costs. The issuance costs for Series A-1, A-2, A-3, B, C, and D were USD301, USD189, USD208, USD1,782, USD1,489 and USD901 (RMB1,892, RMB1,177, RMB1,296, RMB11,857, RMB10,039 and RMB6,033, equivalent).

The major rights, preferences and privileges of the Preferred Shares are as follows:

***Voting Rights***

The holders of the Preferred Shares shall have the right to one vote for each ordinary share into which each outstanding Preferred Share held could then be converted. The holders of the Preferred Shares vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put before the shareholders. The holders of the Preferred Shares are entitled to appoint a total of 10 out of 11 directors of the Board.

***Dividends***

Subject to the approval and declaration by the Board of Directors, the holders of the Preferred Shares (exclusive of unpaid shares) are entitled to receive dividends in the following order:

- Series D Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series C preferred Shares, Series B preferred shares, Series A Preferred Shares and ordinary shares;
- Series C Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series B preferred shares, Series A Preferred Shares and ordinary shares;
- Series B Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any dividend on the Series A Preferred Shares and ordinary shares;

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- Series A Preferred Shareholders are entitled to receive dividends at an amount equal to 5% of the issue price prior to and in preference to any ordinary shares;
- any remaining dividends shall be distributed on a pro rata basis to holders of all the Preferred Shares and ordinary shares on a fully diluted and as-if converted basis.

No dividends on preferred and ordinary shares have been declared since the issuance date through December 31, 2017 and June 30, 2018.

**Liquidation**

In the event of any liquidation, the holders of Preferred Shares have preference over holders of ordinary shares with respect to payment of dividends and distribution of assets. Upon Liquidation, Series D Preferred Shares shall rank senior to Series C Preferred Shares, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-1 and A-2 Preferred Shares, Series A-1 and A-2 Preferred Shares shall rank senior to ordinary shares.

The holders of Preferred Shares (exclusive of unpaid shares) shall be entitled to receive an amount per share equal to (A) an amount equal to the higher of (1) 100% of the original issue price of such Preferred Shares, and (2) the amount that would be payable on such Preferred Shares if converted into ordinary shares immediately before such Liquidation; and (B) the amount of all declared but unpaid dividends on such Preferred Shares based on such holder's pro rata portion of the total number of the Preferred Shares. If there are still assets of the Company legally available for distribution, such remaining assets of the Company shall be distributed to the holders of issued and outstanding Ordinary Shares on pro rata basis among themselves.

**Conversion**

The Preferred Shares (exclusive of unpaid shares) would automatically be converted into ordinary shares 1) upon a QIPO; or 2) upon the written consent of the holders of a majority of the outstanding Preferred Share of each class with respect to conversion of each class.

The initial conversion ratio of Preferred Shares to ordinary shares shall be 1:1, subject to adjustments in the event of (i) share splits, share dividends, combinations, recapitalization and similar events, or (ii) issuance of Ordinary Shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Company determined that there were no beneficial conversion features identified for any of the Preferred Shares during any of the periods. In making this determination, the Company compared the fair value of the ordinary shares into which the Preferred Shares are convertible with the respective effective conversion price at the issuance date. In all instances, the effective conversion price was greater than the fair value of the ordinary shares. To the extent a conversion price adjustment occurs, as described above, the Company will re-evaluate whether or not a beneficial conversion feature should be recognized.

**Redemption**

The Company shall redeem, at the option of any holder of outstanding Preferred Shares, all of the outstanding Preferred Shares (other than the unpaid shares) held by the requesting holder, at any time after the

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earliest to occur of (a) December 31, 2021, if no QIPO or Approved Sale has been consummated prior to such date, (b) any material change in applicable law that would prohibit or otherwise make it illegal to continue to operate the business under the then-existing equity structure of the Group, which could not be solved by alteration or adjustment of the equity structure of the Group after good faith consultation among the Company and its shareholders, (c) the early termination of employment or service contracts of no less than 30% of the certain key employees (or subsequent persons holding their respective positions) with the Group during any six-month period (excluding any early termination with cause) which has resulted in material adverse effect with respect to the Business of the Group as a whole, and (d) termination or disruption of the business of the Group as a whole, which is attributable to any Group Company's non-compliance with applicable laws or breach or early termination of material business contracts or business arrangements with any supplier, clients or otherwise (any matter or event as described in items (a) to (d), hereinafter a "Redemption Event"), or (e) any other Preferred Share holder has requested the Company to redeem its shares in any Redemption Event by delivery of a notice.

The redemption amount payable for each Preferred Share (other than the unpaid shares) will be an amount equal to the greater of (a) 100% of the Preferred Shares' original issue price, plus all accrued but unpaid dividends thereon up to the date of redemption and compound interest on the preferred shares' original issue price at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (b) the fair market value of such Preferred Shares at the date of redemption.

Upon the redemption, Series D Preferred Shares shall rank senior to Series C Preferred Shares, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-3 Preferred Shares, Series A-3 Preferred Shares shall rank senior to Series A-1 and A-2 Preferred Shares, Series A-1 and A-2 Preferred Shares shall rank pari passu to each other.

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*Accounting for Preferred Shares*

The Company recognized accretion to the respective redemption value of the Preferred Shares over the period starting from issuance date to December 31, 2021, the earliest redemption date. According to the redemption price calculation described above, the Company recognized accretion of the Preferred Shares amounted to RMB1,139,341 and RMB6,744,283 during the six months ended June 30, 2017 and 2018, respectively.

The Company's convertible redeemable preferred shares activities for the six months ended June 30, 2017 and 2018 are summarized below:

	Series A-1 & A-2		Series A-3		Series B		Series C		Series D		Total	
	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)	Number of shares	Amount (RMB)
<b>Balances as of December 31, 2016</b>	295,000,000	2,539,993	24,210,431	306,678	102,144,675	2,014,903	—	—	—	—	421,355,106	4,861,574
Proceeds from Series A-1 Preferred Shares	—	266,511	—	—	—	—	—	—	—	—	—	266,511
Issuance of preferred shares	—	—	—	—	12,722,646	240,066	140,452,805	3,619,766	—	—	153,175,451	3,859,832
Accretion on convertible redeemable preferred shares to redemption value	—	1,019,848	—	40,755	—	34,166	—	44,572	—	—	—	1,139,341
<b>Balances as of June 30, 2017</b>	295,000,000	3,826,352	24,210,431	347,433	114,867,321	2,289,135	140,452,805	3,664,338	—	—	574,530,557	10,127,258
<b>Balances as of December 31, 2017</b>	295,000,000	5,011,731	24,210,431	427,129	114,867,321	2,294,980	166,205,830	4,454,596	213,585,003	7,469,350	813,868,585	19,657,786
Proceeds from Series D Preferred Shares	—	—	—	—	—	—	—	—	—	78,651	—	78,651
Accretion on convertible redeemable preferred shares to redemption value	—	3,851,909	—	308,341	—	1,289,035	—	1,046,602	—	248,396	—	6,744,283
<b>Balances as of June 30, 2018</b>	295,000,000	8,863,640	24,210,431	735,470	114,867,321	3,584,015	166,205,830	5,501,198	213,585,003	7,796,397	813,868,585	26,480,720

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**21. Redeemable non-controlling interests**

XPT (Jiangsu) Automotive Technology Co., Ltd. (“XPT Auto”), the Group’s wholly owned subsidiary had its redeemable preferred share (“XPT Auto PS”) financing of RMB 1,294,900 to certain third party strategic investors in the second quarter of 2018. These third party strategic investors’ contributions in XPT Auto were accounted for as the Group’s redeemable non-controlling interests, and were classified as Mezzanine equity. Pursuant to XPT Auto’s share purchase agreement, the XPT Auto PS issued to third party strategic investors have the same rights as the existing ordinary shareholder of XPT Auto except that they have following privileges:

***Redemption***

The holders of XPT Auto PS have the option to request XPT Auto to redeem those shares under certain circumstance: (1) a qualified initial public offering of XPT Auto has not occurred by the fifth anniversary after the issuance of XPT Auto PS; (2) XPT Auto doesn’t meet its performance target (revenue and net profit) for each of the year during FY2019 and FY2023; or (3) a deadlock event lasts for 60 working days and cannot be resolved.

The redemption price should be equal to the original issue price plus simple interest on the original issue price at the rate of 10% per annum minus the dividends paid up to the date of redemption.

***Liquidation***

In the event of any liquidation, the holders of XPT Auto PS have preference over holders of ordinary shares. On a return of capital on liquidation, XPT Auto’s assets available for distribution among the investors shall first be paid to XPT Auto PS investors at the amount equal to the original issue price plus simple interest on the original issue price at the rate of 10% per annum minus the dividends paid up to the date of liquidation. The remaining assets of XPT Auto shall all be distributed to its ordinary shareholders.

The Company recognized accretion to the respective redemption value of the XPT Auto PS over the period starting from issuance date. On June 29, 2018, RMB 1,124,900 out of the total consideration was paid by those investors and the remaining RMB 170,000 were still outstanding as of June 30, 2018.

**22. Ordinary Shares**

Upon inception, each ordinary share was issued at a par value of USD0.00025 per share. Various numbers of ordinary shares were issued to share-based compensation award recipients. As of December 31, 2017 and June 30, 2018, the authorized share capital of the Company is US\$500 divided into 2,000,000,000 shares, comprising of: 1,151,269,325 ordinary shares, 165,000,000 Series A-1 Preferred Shares, 130,000,000 Series A-2 Preferred Shares, 31,720,364 Series A-3 Preferred Shares, 114,867,321 Series B Preferred Shares, 167,142,990 Series C Preferred Shares, 240,000,000 Series D Preferred Shares, each at a par value of USD0.00025 per share.

As of December 31, 2017 and June 30, 2018, 1,151,269,325 ordinary shares were authorized, 36,727,350 and 41,178,902 shares were issued and 23,850,343 and 31,540,943 shares were outstanding as of December 31, 2017 and June 30, 2018, respectively.

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**23. Share-based Compensation**

Compensation expenses recognized for share-based awards granted by the Company were as follows:

	Six Months Ended June 30,	
	2017	2018
Research and development expenses	10,900	12,418
Selling, general and administrative expenses	24,938	93,146
Total	35,838	105,564

There was no income tax benefit recognized in the consolidated statements of comprehensive loss for share-based compensation expenses and the Group did not capitalize any of the share-based compensation expenses as part of the cost of any assets in the six months ended June 30, 2017 and 2018.

**(a) Prime Hubs' Restricted Shares Plan**

In 2015, the Company adopted the Prime Hubs Restricted Shares Plan (the "Prime Hubs Plan"). Pursuant to the Prime Hubs Plan, restricted shares were granted to certain employees and non-employee consultants of the Group as approved by the board of directors. The restricted shares granted require the non-employee consultants to serve the Group for a period of one year with 100% of the restricted shares vesting upon the completion of the service period and the employees to serve the group for a period of four years with 25% of the restricted shares vesting at each anniversary of the service commencement date. The restricted shares issued under the Prime Hubs Plan are held by Prime Hubs, a consolidated variable interest entity of the Company, and are accounted for as treasury stocks of the Company prior to their vesting.

The following table summarizes activities of the Company's restricted shares granted under the Prime Hubs Plan:

**(i) Employees**

<u>Employees</u>	<u>Number of Shares Outstanding</u>	<u>Weighted Average Grant Date Fair Value USD</u>
Unvested as of December 31, 2016	8,400,000	0.72
Vested	(2,841,667)	0.72
Forfeited	(208,333)	0.72
Unvested as of June 30, 2017	5,350,000	0.72
Unvested as of December 31, 2017	7,058,338	1.04
Vested	(2,924,996)	0.83
Unvested as of June 30, 2018	4,133,342	1.19

For the six months ended June 30, 2017 and 2018, total share-based compensation expenses recognized for the employee restricted shares granted under the Prime Hubs Plan were RMB8,250 and RMB9,563, respectively.

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As of December 31, 2017 and June 30, 2018, there were RMB37,651 and RMB26,050 of unrecognized share-based compensation expenses related to the employee restricted shares granted under the Prime Hubs Plan. Such unrecognized expenses are expected to be recognized over a weighted-average period of 1.69 and 1.44 years, respectively, as of December 31, 2017 and June 30, 2018.

*(ii) Non-Employees*

As of December 31, 2016, the Prime Hubs restricted shares granted to non-employees were fully vested.

In January 2017, the Company agreed to repurchase 250,000 vested Prime Hubs restricted shares from a non-employee with total cash consideration of RMB1,686.

For the six months ended June 30, 2017 and 2018, total share-based compensation expenses recognized for the non-employee restricted shares granted the Prime Hubs Plan were nil.

*(b) NIO Incentive Plans*

In 2015, the Company adopted the 2015 Stock Incentive Plan (the “2015 Plan”), which allows the plan administrator to grant options and restricted shares of the Company to its employees, directors, and consultants.

The Company granted share options to the Group’s non-NIO US employees and both share options and restricted shares to the employees of NIO US. The share options and restricted shares of the Company under 2015 Plan have a contractual term of ten years from the grant date, and vest over a period of four years of continuous service, one fourth (1/4) of which vest upon the first anniversary of the stated vesting commencement date and the remaining vest rateably over the following 36 months. Under the 2015 plan, share options granted to the non-NIO US employees of the Group are only exercisable upon the occurrence of an initial public offering by the Company.

In 2016 and 2017, the Board of Directors further approved the 2016 Stock Incentive Plan (the “2016 Plan”) and the 2017 Stock Incentive Plan (the “2017 Plan”). The 2016 and 2017 Plans have the same terms as 2015 Plan.

As of December 31, 2017 and June 30, 2018, the Group had not recognized any share-based compensation expenses for options granted to the non-NIO US employees of the Group, because the Company is unable to determine if it is probable that the performance conditions will be satisfied until the event occurs. As a result, the share-based compensation expenses for these options that are only exercisable upon the occurrence of the Company’s initial public offering will be recognized using the graded-vesting method upon the consummation of the initial public offering. The Group recognized the share options and restricted shares of the Company granted to the employees of NIO US on a straight-line basis over the vesting term of the awards, net of estimated forfeitures.

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(i) Share Options

The following table summarizes activities of the Company's share options under the 2015, 2016 and 2017 Plans for the six months ended June 30, 2017 and 2018:

	Number of Options Outstanding	Weighted Average Exercise Price USD	Weighted Average Remaining Contractual Life In Years	Aggregate Intrinsic Value USD
Outstanding as of December 31, 2016	52,623,554	0.32	8.30	51,506
Granted	4,449,700	1.15	—	—
Exercised	(577,038)	0.27	—	—
Forfeited	(3,526,310)	0.39	—	—
Expired	(149,488)	0.13	—	—
Outstanding as of June 30, 2017	52,820,418	0.39	8.47	74,582
Outstanding as of December 31, 2017	57,775,914	0.57	8.52	114,299
Granted	38,612,866	2.44	—	—
Exercised	(4,451,552)	0.37	—	—
Forfeited	(2,657,239)	0.70	—	—
Expired	(340,447)	0.38	—	—
Outstanding as of June 30, 2018	88,939,542	1.39	8.80	286,757
Vested and expected to vest as of June 30, 2017	50,823,823	—	—	71,122
Exercisable as of June 30, 2017	3,557,094	—	—	5,377
Vested and expected to vest as of June 30, 2018	85,641,307	—	—	273,015
Exercisable as of June 30, 2018	2,968,041	—	—	11,932

The weighted-average grant date fair value for options granted under the Company's 2017 Plan during the six months ended June 30, 2017 and 2018 was USD 1.02 and USD 1.82, respectively, computed using the binomial option pricing model.

The total share-based compensation expenses recognized for share options during the six months ended June 30, 2017 and 2018 was RMB14,004 and RMB14,413 respectively.



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The fair value of each option granted under the Company's 2017 Plan during the six months ended June 30, 2017 and 2018 was estimated on the date of each grant using the binomial option pricing model with the assumptions (or ranges thereof) in the following table:

	Six Months Ended June 30,	
	2017	2018
Exercise price (USD)	0.61-2.55	0.1-3.38
Fair value of the ordinary shares on the date of option grant (USD)	1.30-1.80	3.38-4.62
Risk-free interest rate	2.31%-2.40%	2.74%-2.85%
Expected term (in years)	10.00	10.00
Expected dividend yield	0%	0%
Expected volatility	52%	50%-51%
Expected forfeiture rate (post-vesting)	5%	5%

Risk-free interest rate is estimated based on the yield curve of US Sovereign Bond as of the option valuation date. The expected volatility at the grant date and each option valuation date is estimated based on annualized standard deviation of daily stock price return of comparable companies with a time horizon close to the expected expiry of the term of the options. The Company has never declared or paid any cash dividends on its capital stock, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the options.

As of December 31, 2017 and June 30, 2018, there were RMB58,444 and RMB79,740 of unrecognized compensation expenses related to the stock options granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 2.53 and 2.62 years, respectively.

As of December 31, 2017 and June 30, 2018, there were RMB275,473 and RMB626,454 of unrecognized compensation expenses related to the stocks options granted to the Group's non-NIO US employees with a performance condition of an IPO, out of which, unrecognized compensation expenses of RMB138,884 and RMB234,120 related to options for which the service condition had been met and are expected to be recognized when the performance target of an IPO is achieved.

(ii) *Restricted shares*

The fair value of each restricted share granted with service conditions is estimated based on the fair market value of the underlying ordinary shares of the Company on the date of grant.

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The following table summarizes activities of the Company's restricted shares under the 2015 plan:

	Number of Restricted Shares Outstanding	Weighted Average Grant Date Fair Value USD
Unvested at December 31, 2016	1,837,387	0.96
Vested	(152,021)	0.96
Forfeited	(254,395)	0.96
Unvested at June 30, 2017	1,430,971	0.96
Unvested at December 31, 2017	1,112,977	0.96
Vested	(314,052)	0.96
Forfeited	(63,056)	0.96
Unvested at June 30, 2018	735,869	0.96

As of December 31, 2017 and June 30, 2018, there were RMB6,095 and RMB3,461 of unrecognized compensation expenses related to restricted shares granted to the employees of NIO US, which is expected to be recognized over a weighted-average period of 1.75 and 1.25 years, respectively.

Share-based compensation expenses of RMB2,093 and RMB1,915 related to restricted shares granted to the employees of NIO US was recognized for the six months ended June 30, 2017 and 2018, respectively.

**(c) Non-recourse Loan**

In November 2015, the Company issued an offer letter to one of its key management team member ("the Borrower"). In the offer letter, the Company offered the Borrower to purchase 7,509,933 Series A-3 Preferred Shares of the Company at the price of USD1.6522 per share, which equals to the purchase price paid for the same class of preferred shares by other third party investors in the most recent round of financing prior to the offer letter. In addition, the Company agreed to provide a loan in the amount of USD12,408 with an interest rate of 1.8% compounded semiannually to fund the purchase of such Series A-3 Preferred Shares by the Borrower ("the Loan"). The Loan agreement was signed on March 10, 2016, the date of her employment. The Loan is subject to a three-year service condition with 25% immediately vested on the grant date and 25% cliff vesting annually. The Borrower's personal liability on the Loan, and the Company's recourse against the Borrower personally on the Loan, shall be limited to 50% of the then-outstanding principal amount of the Loan, including any interest accrued thereon.

In June 2018, the Borrower repaid the loan pursuant to the agreement, including the interest accrued, to the Company, amounting to RMB82,863. By the time of the repayment, 75% of the Award was vested and considered as exercised while 25% remained as unvested.

Pursuant to ASC 718, the Company accounted for the Loan as a stock liability (the "Award"). Given the underlying of the Award is Series A-3 Preferred Shares, it was treated as a liability award following ASC 480. The Award was initially recognized at fair value and subsequently re-measured by recognizing the change in fair value as an adjustment to the compensation costs until the Award is settled, i.e. upon redemption or QIPO. The

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fair value of the Award granted was estimated on each reporting date using the Black-Scholes option pricing model with the assumptions (or ranges thereof) in the following table:

	Six Months Ended June 30,	
	2017	2018
Exercise price	1.82	1.76
Fair value of the Preferred Shares on the measurement date	2.08	4.69
Risk-free interest rate	2%	2%
Remaining life (in years)	4.15	1.25
Expected dividend yield	0%	0%
Expected volatility	48%	37%

Share-based compensation expenses related to the Award of RMB11,491 and RMB79,673 was recognized for the six months ended June 30, 2017 and 2018, respectively.

**24. Taxation****(a) Income taxes***Cayman Islands*

The Company was incorporated in the Cayman Islands and conducts most of its business through its subsidiaries located in Mainland China, Hong Kong, United States, United Kingdom and Germany. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

*PRC*

All Chinese companies are subject to enterprise income tax ("EIT") at a uniform rate of 25%.

Under the EIT Law enacted by the National People's Congress of PRC on March 16, 2007 and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by a foreign investment enterprise in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with PRC.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the

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PRC will be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, there is uncertainty as to the application of the EIT Law. Should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ('Super Deduction'). The additional deduction of 50% of qualified research and development expenses can only be claimed directly in the annual EIT filing and subject to the approval from the relevant tax authorities.

*Hong Kong*

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries of the Group incorporated in Hong Kong are subject to 16.5% Hong Kong profit tax on their taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

*Other Countries*

The maximum applicable income tax rates of other countries where the Company's subsidiaries having significant operations in the six months ended June 30, 2017 and 2018 are as follows:

	Six Months Ended June 30,	
	2017	2018
United States	42.84%	29.84%
United Kingdom	19.25%	19.00%
Germany	32.98%	32.98%

Composition of income tax expense for the periods presented are as follows:

	Six Months Ended June 30,	
	2017	2018
Current income tax expense	4,325	4,368

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Reconciliations of the income tax expense computed by applying the PRC statutory income tax rate of 25% to the Group's income tax expense of the periods presented are as follows:

	<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2018</b>
Loss before income tax expense	(2,016,197)	(3,321,161)
Income tax expense computed at PRC statutory income tax rate of 25%	(504,049)	(830,290)
Non-deductible expenses	47,925	52,193
Foreign tax rates differential	(20,349)	40,635
Additional 50% tax deduction for qualified research and development expenses	(33,662)	(16,258)
Tax exempted interest income	(460)	(5,221)
US tax credits	(22,765)	(20,627)
Prior year adjustments	—	4,876
Tax benefit not utilized	537,685	779,060
Income tax expense	<u>4,325</u>	<u>4,368</u>

The PRC statutory income tax rate was used because the majority of the Group's operations are based in PRC.

**(b) Deferred tax**

The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more-likely-than-not realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment and the forecasts of future taxable income are consistent with the plans and estimates the Group is using to manage the underlying business. The statutory income tax rate of 25% or applicable preferential income tax rates were applied when calculating deferred tax assets.

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The Group's deferred tax assets consist of the following components:

	<u>As of December 31,</u> <u>2017</u>	<u>As of June 30,</u> <u>2018</u>
<b>Deferred tax assets</b>		
Net operating loss carry-forwards	1,620,535	2,332,971
Accrued expenses	84,320	62,756
Advertising expenses in excess of deduction limit	65,737	105,226
Tax credit carry-forwards	60,624	82,491
Property, plant and equipment, net	27,463	32,130
Deferred rent	8,699	22,307
Deferred revenue	—	(3,751)
Intangible assets	7,104	10,992
Share-based compensation	4,106	4,404
Prepaid expense	—	18,908
Unrealized foreign exchange loss	55	55
Donation carry-forward (3 Yrs)	—	13
Employee education expenditure carry-forward	—	2
Unrealized financing cost	—	(2,304)
<b>Total deferred tax assets</b>	<u>1,878,643</u>	<u>2,666,200</u>
Less: Valuation allowance	<u>(1,878,643)</u>	<u>(2,666,200)</u>
<b>Total deferred tax assets, net</b>	<u>—</u>	<u>—</u>

Full valuation allowances have been provided where, based on all available evidence, management determined that deferred tax assets are not more likely than not to be realizable in future tax years. Movement of valuation allowance is as follow:

	<u>As of December 31,</u> <u>2017</u>	<u>As of June 30,</u> <u>2018</u>
<b>Valuation allowance</b>		
Balance at beginning of the period	672,889	1,878,643
Additions	<u>1,205,754</u>	<u>787,557</u>
<b>Balance at end of the period</b>	<u>1,878,643</u>	<u>2,666,200</u>

On December 22, 2017, the 2017 Tax Cuts and Jobs Act ("Tax Act") was enacted into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a federal corporate tax rate decrease from 35% to 21% for tax years beginning after December 31, 2017. The Group is required to recognize the effect of the tax law changes in the period of enactment, such as re-measuring the Group's U.S. deferred tax assets and liabilities as well as reassessing the net realizability of the deferred tax assets and liabilities. The Tax Act did not give rise to any material impact on the consolidated balance sheets and consolidated statements of comprehensive loss due to the Group's historical worldwide loss position and the full valuation allowance provided against the Group's net U.S. deferred tax assets.

In December 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("SAB 118"), which allows the Group to

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record provisional amounts during a measurement period not to extend beyond one year from the enactment date. Since the Tax Act was enacted late in the fourth quarter of 2017 (and ongoing guidance and accounting interpretations are expected over the next 12 months), the Group considers the accounting of deferred tax re-measurements and other items to be incomplete due to the forthcoming guidance and its ongoing analysis of final year-end data and tax positions. The Group expects to complete the analysis within the measurement period in accordance with SAB 118. The Group does not expect any subsequent adjustments to have any material impact on the consolidated balance sheets or consolidated statements of comprehensive loss due to our historical worldwide loss position and the full valuation allowance provided against the Group's net U.S. deferred tax assets.

*Uncertain Tax Position*

The Group did not identify any significant unrecognized tax benefits for each of the periods presented. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expense and also does not anticipate any significant change in unrecognized tax benefits within 12 months from June 30, 2018.

**25. Loss Per Share**

Basic loss per share and diluted loss per share have been calculated in accordance with ASC 260 on computation of earnings per share for the six months ended June 30, 2017 and 2018 as follows:

	Six Months Ended June 30,	
	2017	2018
<b>Numerator:</b>		
Net loss	(2,020,522)	(3,325,529)
Accretion on convertible redeemable preferred shares to redemption value	(1,139,341)	(6,744,283)
Net loss attributable to non-controlling interests	29,271	15,278
Net loss attributable to ordinary shareholders of NIO Inc. for basic/dilutive net loss per share	<u>(3,130,592)</u>	<u>(10,054,534)</u>
<b>Denominator:</b>		
Weighted-average number of ordinary shares outstanding — basic and diluted	20,141,298	28,661,459
Basic and diluted net loss per share attributable to ordinary shareholders of NIO Inc.	<u>(155.43)</u>	<u>(350.80)</u>

For the six months ended June 30, 2017 and 2018, assumed conversion of the Preferred Shares into ordinary shares were excluded from the calculations of diluted net loss per share of the Company due to the anti-dilutive effect. The effects of all outstanding share options have also been excluded from the computation of diluted net loss per share for the six months ended June 30, 2017 and 2018 as their effects would be anti-dilutive.

For the six months ended June 30, 2017 and 2018, the Company had potential ordinary shares, including non-vested restricted shares, options granted and Preferred Shares. As the Group incurred losses for the six months ended June 30, 2017 and 2018, these potential ordinary shares were anti-dilutive and excluded from the calculation of diluted net loss per share of the Company. The weighted-average numbers of non-vested restricted shares, options granted and preferred shares excluded from the calculation of diluted net loss per share of the

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Company were 8,172,204, 42,977,537 and 516,679,430 as of June 30, 2017, 5,746,798, 52,414,708 and 814,807,327 as of June 30, 2018 respectively.

**26. Related Party Balances and Transactions**

The principal related parties with which the Group had transactions during the years presented are as follows:

<b>Name of Entity or Individual</b>	<b>Relationship with the Company</b>
Bin Li	Principal Shareholder, Chairman of the Board and Chief Executive Officer
Lihong Qin	Principal Shareholder, Director and President of the Company
Baidu Capital L.P.	Shareholder
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	Affiliate
NIO Capital	Controlled by Principal Shareholder
Hubei Changjiang Nextev New Energy Investment Management Co., Ltd.	Controlled by Principal Shareholder
Jiangsu Xindian Automotive Co., Ltd.	Controlled by Principal Shareholder
Beijing CHJ Information Technology Co., Ltd.	Controlled by Principal Shareholder
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	Controlled by Principal Shareholder
Shanghai NIO Hongling Investment Management Co., Ltd	Controlled by Principal Shareholder
Hubei Changjiang Nextev New Energy Industry Development Capital Partnership (Limited Partnership)	Controlled by Principal Shareholder
Beijing Chehui Hudong Guanggao Co., Ltd.	Affiliate
Beijing Xinyi Hudong Guanggao Co., Ltd.	Affiliate
Bite Shijie (Beijing) Keji Co., Ltd.	Affiliate

**(a) The Group entered into the following significant related party transactions:**

**(i) Provision of service**

For the six months ended June 30, 2017 and 2018, service income was primarily generated from property management and miscellaneous research and development services the Group provided to its related parties.

	<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2018</b>
Shanghai NIO Hongling Investment Management Co., Ltd	—	899



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(ii) Acceptance of marketing and advertising service

	Six Months Ended June 30,	
	2017	2018
Beijing Xinyi Hudong Guanggao Co., Ltd.	7,575	9,249
Beijing Chehui Hudong Guanggao Co., Ltd.	—	2,830
Bite Shijie (Beijing) Keji Co., Ltd.	5,266	582
	<u>12,841</u>	<u>12,661</u>

(iii) Loan to related party

	Six Months Ended June 30,	
	2017	2018
NIO Capital	—	66,166
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	50,000	—
	<u>50,000</u>	<u>66,166</u>

On January 12, 2018, the Group granted two interest free loans to NIO Capital, with principal amount of USD5,000 each. The loans mature in 6 months. One of the loan can be converted into ordinary shares of a subsidiary of NIO Capital upon maturity at the option of the Group.

(iv) Cost of manufacturing consignment

	Six Months Ended June 30,	
	2017	2018
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	—	10,763

(v) Interest payable on behalf of related parties

	Six Months Ended June 30,	
	2017	2018
Baidu Capital L.P.	—	8,065

(vi) Purchase of property and equipment

	Six Months Ended June 30,	
	2017	2018
Bite Shijie (Beijing) Keji Co., Ltd.	2,422	—

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*(b) The Group had the following significant related party balances:*

*(i) Amounts due from related parties*

	<u>As of December 31,</u> <u>2017</u>	<u>As of June 30,</u> <u>2018</u>
NIO Capital	—	66,166
Ningbo Meishan Free Trade Port Zone Weilan Investment Co., Ltd.	50,000	50,000
Shanghai NIO Hongling Investment Management Co.,	—	899
Baidu Capital L.P.	21,671	—
Beijing CHJ Information Technology Co., Ltd.	3,624	—
Bin Li	1,680	—
Jiangsu Xindian Automotive Co., Ltd.	1,627	—
Hubei Changjiang Nextev New Energy Investment Management Co., Ltd.	954	—
Total	<u>79,556</u>	<u>117,065</u>

*(ii) Amounts due to related parties*

	<u>As of December 31,</u> <u>2017</u>	<u>As of June 30,</u> <u>2018</u>
Suzhou Zenlead XPT New Energy Technologies Co., Ltd.	19,466	12,704
Beijing Xinyi Hudong Guanggao Co., Ltd.	400	9,580
Bin Li	14,289	—
Lihong Qin	5,338	—
Beijing Chehui Hudong Guanggao Co., Ltd.	576	—
Total	<u>40,069</u>	<u>22,284</u>

**27. Commitment and Contingencies**

*(a) Capital commitments*

Capital expenditures contracted for at the balance sheet dates but not recognized in the Group's consolidated financial statements are as follows:

	<u>As of December 31,</u> <u>2017</u>	<u>As of June 30,</u> <u>2018</u>
Property and equipment	1,250,612	2,424,131
Leasehold improvements	470,600	494,012
Total	<u>1,721,212</u>	<u>2,918,143</u>

*(b) Operating lease commitments*

The Group leases certain office premises and buildings under non-cancelable leases. Operating lease expenses recorded in the accompanying consolidated statements of comprehensive loss amounted to RMB70,447

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and RMB190,856 for the six months ended June 30, 2017 and 2018, respectively. As of December 31, 2017 and June 30, 2018, the Group had remaining outstanding commitments non-cancelable agreements in respect to its operating leases as follows:

	As of December 31, 2017	As of June 30, 2018
Within one year	233,486	293,305
1 to 2 years	261,846	348,740
2 to 3 years	278,278	333,798
More than 3 years	912,356	944,911
Total	1,685,966	1,920,754

**28. Unaudited Pro-forma Balance Sheet and Net Loss per Share for Conversion of the Preferred Shares**

Immediately prior to the completion of a planned IPO of the Company, the holders of the Preferred Shares of the Company intends to convert the Preferred Shares into ordinary shares on a one-for-one basis. Each fully paid Preferred Shares held by Tencent will be converted into the same number of fully paid Ordinary Shares to be re-designated as Class B Ordinary Shares, each fully paid Preferred Shares held by the Originalwish Limited and mobike Global Ltd. will be converted into the same number of fully paid Ordinary Shares to be re-designated as Class C Ordinary Shares, while each of the other fully paid Preferred Shares will be converted into the same number of fully paid Ordinary Shares to be re-designated as Class A Ordinary Shares, based on the applicable Preferred Share Conversion Price then in effect respectively. Holders of Class A Ordinary Shares, Class B Ordinary Shares and Class C Ordinary Shares have the same rights, except for voting rights. Holders of Class A Ordinary Shares are entitled to one vote per share, holders of Class B Ordinary Shares are entitled to four votes per share while holders of Class C ordinary shares are entitled to eight votes per share.

The unaudited pro-forma balance sheet as of June 30, 2018 presents an adjusted financial position as if the Series A-1 and A-2, A3, B, C and D convertible redeemable preferred shares had been converted into ordinary shares as of December 31, 2017 at the conversion ratio of one for one.

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The unaudited pro-forma net loss per share for the six months ended June 30, 2017 and 2018 after giving effect to the conversion of the Preferred Shares into ordinary shares as of the inception of the year at the conversion ratio of one-for-one is as follows:

	<b>Six Months Ended June 30, 2018</b>
<b>Numerator:</b>	
Net loss attributable to the Company's ordinary shareholders	(10,054,534)
Pro-forma effect of conversion of the Series A-1 and A-2 convertible redeemable preferred shares	3,851,909
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	308,341
Pro-forma effect of conversion of the Series B convertible redeemable preferred shares	1,289,035
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	1,046,602
Pro-forma effect of conversion of the Series D convertible redeemable preferred shares	248,396
Pro-forma net loss attributable to the Company's ordinary shareholders—Basic and diluted	<u>(3,310,251)</u>
<b>Denominator:</b>	
Weighted-average ordinary shares outstanding for calculation of pro-forma basic and diluted net loss per ordinary share	28,661,459
Pro-forma effect of conversion of the Series A-1 and A-2 convertible redeemable preferred shares	295,000,000
Pro-forma effect of conversion of the Series A-3 convertible redeemable preferred shares	24,210,431
Pro-forma effect of conversion of the Series B convertible redeemable preferred shares	114,867,321
Pro-forma effect of conversion of the Series C convertible redeemable preferred shares	166,205,830
Pro-forma effect of conversion of the Series D convertible redeemable preferred shares	213,585,003
Pro-forma effect of conversion of the exercised portion of non-recourse loan	5,632,450
Denominator for pro-forma basic and diluted net loss per ordinary share calculation	<u>848,162,494</u>
Pro-forma basic and diluted net loss per ordinary share attributable to the Company's Ordinary shareholders	(3.90)

The effects of all outstanding share options with a performance condition of an IPO and the related share based compensation expenses were excluded from the computation of diluted pro-forma net loss per share for the six months ended June 30, 2018 because they are contingent upon the completion of an initial public offering by the Company and that contingency have not been resolved.

## 29. Subsequent Events

In late July 2018, RMB125,000 out of RMB 170,000 was further paid by one of the third party strategic investors into XPT Auto with the same terms as described in Note 21 above.





**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 memorandum and articles of association that we expect to adopt and 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 is filed as Exhibit 10.4 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 indemnification for us and our officers and directors for certain liabilities.

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.**

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of securities.

<u>Securities/Purchaser</u>	<u>Date of Issuance</u>	<u>Number of Securities</u>	<u>Consideration</u>
Prime Hubs Limited	January 6, 2015	26,900,001 ordinary shares	US\$6,725.0
Originalwish Limited	March 18, 2015	122,045,675 series A-1 preferred shares	US\$122,045,675
Hillhouse NEV Holdings Limited	March 18, 2015	50,000,000 series A-2 preferred shares	US\$50,000,000.0
Shunwei TMT II Limited	March 18, 2015	10,000,000 series A-2 preferred shares	US\$10,000,000.0

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Securities/Purchaser	Date of Issuance	Number of Securities	Consideration
mobike Global Ltd.	March 18, 2015	26,454,325 series A-1 preferred shares	US\$26,454,325.0
HCM VI Limited	March 18, 2015	1,500,000 series A-1 preferred shares	US\$1,500,000.0
Shunwei Growth II Limited	March 18, 2015	20,000,000 series A-2 preferred shares	US\$20,000,000.0
Energy Lee Limited	May 6, 2015	15,000,000 series A-1 preferred shares	US\$15,000,000.0
Mount Putuo Investment Limited	May 6, 2015	30,000,000 series A-2 preferred shares	US\$30,000,000.0
Smart Group Global Limited	June 23, 2015	20,000,000 series A-2 preferred shares	US\$20,000,000.0
Sequoia Capital China GF Holdco III-A, Ltd.	September 12, 2015	18,157,895 series A-3 preferred shares	US\$30,000,000.0
Joy Capital I, L.P.	September 12, 2015	6,052,536 series A-3 preferred shares	US\$10,000,000.0
Padmasree Warrior	March 10, 2016	7,509,933 series A-3 preferred shares	US\$12,407,911.3
Anderson Investments Pte. Ltd.	July 21, 2016	21,810,251 series B preferred shares	US\$60,000,000.0
Hillhouse NEV Holdings Limited	July 21, 2016	3,635,042 series B preferred shares	US\$10,000,000.0
Shunwei TMT II Limited	July 21, 2016	3,635,042 series B preferred shares	US\$10,000,000.0
Shunwei Growth II Limited	July 21, 2016	7,270,083 series B preferred shares	US\$20,000,000.0
Mount Putuo Investment Limited	July 21, 2016	10,905,125 series B preferred shares	US\$30,000,000.0
SCC Growth IV Holdco A, Ltd.	July 21, 2016	3,635,042 series B preferred shares	US\$10,000,000.0
Joy Capital I, L.P.	July 21, 2016	1,817,521 series B preferred shares	US\$5,000,000.0
Bluestone Company Limited	July 21, 2016	10,905,125 series B preferred shares	US\$30,000,000.0
Magic Stone Alternative Private Equity Fund, L.P.	July 21, 2016	10,905,125 series B preferred shares	US\$30,000,000.0
TPG Growth III SF Pte. Ltd.	July 21, 2016	5,452,563 series B preferred shares	US\$15,000,000.0
Ultimate Lenovo Limited	July 21, 2016	5,452,563 series B preferred shares	US\$15,000,000.0



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Securities/Purchaser	Date of Issuance	Number of Securities	Consideration
Renaissance Era International Private Equity Fund I L.P.	July 21, 2016	1,817,521 series B preferred shares	US\$5,000,000.0
Palace Investments Pte. Ltd.	July 21, 2016	1,817,521 series B preferred shares	US\$5,000,000.0
Grandfield Investment Ltd.	July 21, 2016	5,816,067 series B preferred shares	US\$16,000,000.0
IDG China Venture Capital Fund IV L.P.	August 19, 2016	1,611,232 series B preferred shares	US\$4,432,500.0
IDG China IV Investors L.P.	August 19, 2016	206,289 series B preferred shares	US\$567,500.0
Bright Sky II, L.P.	September 30, 2016	5,452,563 series B preferred shares	US\$15,000,000.0
ORIENT HONTAI LIMITED	February 8, 2017	2,908,033 series B preferred shares	US\$8,000,000.0
LONG WINNER INVESTMENT LIMITED	February 9, 2017	1,817,521 series B preferred shares	US\$5,000,000.0
HH RSV-X Holdings Limited	February 9, 2017	7,997,092 series B preferred shares	US\$22,000,000.0
Baidu Capital L.P.	March 24, 2017	25,740,026 series C preferred shares	US\$100,000,000.0
West City Asia Limited	March 24, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
Haitong International Investment Holdings Limited.	March 24, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
Haixia NEV International Limited Partnership	March 24, 2017	5,148,005 series C preferred shares	US\$20,000,000.0
New Margin Capital Hong Kong Co., Limited	March 24, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
Palace Investments Pte. Ltd.	March 24, 2017	1,287,001 series C preferred shares	US\$5,000,000.0
Image Frame Investment (HK) Limited	March 24, 2017	25,740,026 series C preferred shares	US\$100,000,000.0
Total Prestige Investment Limited	March 24, 2017	1,750,322 series C preferred shares	US\$6,800,000.0
Zhide EV Investment Limited	March 24, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
Bright Sky II, L.P.	March 24, 2017	2,574,003 series C preferred shares	US\$10,000,000.0

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Securities/Purchaser	Date of Issuance	Number of Securities	Consideration
TPG Growth III SF Pte. Ltd.	March 24, 2017	1,673,102 series C preferred shares	US\$6,500,000.0
Bluestone Company Limited	March 24, 2017	7,722,008 series C preferred shares	US\$30,000,000.0
CEG Smart Travel Co., Limited	March 24, 2017	2,923,844 series C preferred shares	US\$11,359,369.2
IDG China Venture Capital Fund IV L.P.	March 24, 2017	228,185 series C preferred shares	US\$886,500.0
IDG China IV Investors L.P.	March 24, 2017	29,215 series C preferred shares	US\$113,500.0
CYBER TYCOON LIMITED	March 24, 2017	4,385,929 series C preferred shares	US\$17,039,333.0
Honor Best International Limited	March 24, 2017	8,771,858 series C preferred shares	US\$34,078,667.0
Tanzanite Gem Holdings Limited	March 24, 2017	15,444,016 series C preferred shares	US\$60,000,000.0
Anderson Investments Pte. Ltd.	May 3, 2017	10,296,010 series C preferred shares	US\$40,000,000.0
Ultimate Lenovo Limited	May 3, 2017	7,722,007 series C preferred shares	US\$30,000,000.0
CYBER TYCOON LIMITED	May 3, 2017	676,276 series C preferred shares	US\$2,627,333.0
Honor Best International Limited	May 3, 2017	1,352,553 series C preferred shares	US\$5,254,667.0
CHAMPION ELITE GLOBAL LIMITED	May 3, 2017	257,400 series C preferred shares	US\$1,000,000.0
CHINA INDUSTRIAL INTERNATIONAL TRUST ASSET MANAGEMENT COMPANY LIMITED	May 3, 2017	3,861,004 series C preferred shares	US\$15,000,000.0
HF Holdings Limited	May, 3, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
Tea Leaf Limited	May 3, 2017	7,979,408 series C preferred shares	US\$31,000,000.0
BLISSFUL DAYS HOLDINGS LIMITED	July 6, 2017	1,029,601 series C preferred shares	US\$4,000,000.0
Guangfa Xinde Capital Management Limited	July 6, 2017	1,300,000 series C preferred shares	US\$5,050,500.0

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Securities/Purchaser	Date of Issuance	Number of Securities	Consideration
Bluefuture Fund L.P.	July 6, 2017	3,861,004 series C preferred shares	US\$15,000,000.0
UBS AG, London Branch	July 6, 2017	5,148,005 series C preferred shares	US\$20,000,000.0
KEEN EAGLE CAPITAL INVESTMENT LIMITED	July 6, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
China Oceanwide International Asset Management Limited	July 6, 2017	2,574,003 series C preferred shares	US\$10,000,000.0
CMFHK Fortune 100 SPC	July 20, 2017	1,287,001 series C preferred shares	US\$5,000,000.0
Image Frame Investment (HK) Limited	November 10, 2017	61,648,781 series D preferred shares	US\$330,000,000.0
TPP Follow-on I Holding D Limited	November 10, 2017	3,736,290 series D preferred shares	US\$20,000,000.0
LEAP PROSPECT LIMITED	November 10, 2017	29,890,318 series D preferred shares	US\$160,000,000.0
Serenity WL Holdings Ltd.	November 10, 2017	5,604,435 series D preferred shares	US\$30,000,000.0
SCOTTISH MORTGAGE INVESTMENT TRUST PLC	November 10, 2017	4,670,361 series D preferred shares	US\$25,000,000.0
PACIFIC HORIZON INVESTMENT TRUST PLC	November 10, 2017	467,037 series D preferred shares	US\$2,500,000.0
Myriad Opportunities Master Fund Limited	November 10, 2017	4,670,362 series D preferred shares	US\$25,000,000.0
LONE SPRUCE, L.P.	November 10, 2017	134,506 series D preferred shares	US\$720,000.0
Lone Cypress, LTD.	November 10, 2017	3,601,784 series D preferred shares	US\$19,280,000.0
ULTRA RESULT HOLDINGS LIMITED	November 10, 2017	2,802,217 series D preferred shares	US\$15,000,000.0
AL NAHDHA INVESTMENT LLC	November 10, 2017	2,120,345 series D preferred shares	US\$11,350,000.0
Al Beed Group	November 10, 2017	467,036 series D preferred shares	US\$2,500,000.0
Oldbridge Invest L.L.C.	November 10, 2017	28,022 series D preferred shares	US\$150,000.0
AC Limited	November 10, 2017	1,868,145 series D preferred shares	US\$10,000,000.0

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<b>Securities/Purchaser</b>	<b>Date of Issuance</b>	<b>Number of Securities</b>	<b>Consideration</b>
BEST CASTLE LIMITED	November 10, 2017	5,604,435 series D preferred shares	US\$30,000,000.0
HUBEI SCIENCE & TECHNOLOGY INVESTMENT GROUP (HONG KONG) COMPANY LIMITED	November 10, 2017	5,604,435 series D preferred shares	US\$30,000,000.0
WP NIO Investment Partnership, LP	November 10, 2017	3,736,290 series D preferred shares	US\$20,000,000.0
Lezmenia Assets Limited	November 10, 2017	1,401,109 series D preferred shares	US\$7,500,000.0
LAPATHIA HOLDINGS LIMITED	November 10, 2017	1,401,108 series D preferred shares	US\$7,500,000.0
PV Vision Limited	November 10, 2017	6,538,507 series D preferred shares	US\$35,000,000.0
Silver Ridge Fund I Limited Partnership	November 10, 2017	934,072 series D preferred shares	US\$5,000,000.0
The Mabel Chan 2012 Family Trust	November 10, 2017	373,629 series D preferred shares	US\$2,000,000.0
Magic Stone Special Opportunity Fund IV L.P.	November 10, 2017	597,806 series D preferred shares	US\$3,200,000.0
Mega Treasure Investment Limited	November 10, 2017	1,120,887 series D preferred shares	US\$6,000,000.0
Tanzanite Gem Holdings Limited	November 10, 2017	12,329,756 series D preferred shares	US\$66,000,000.0
SCC Growth IV Holdco A, Ltd.	November 10, 2017	934,072 series D preferred shares	US\$5,000,000.0
Joy Next Investment Management Limited	November 10, 2017	2,241,774 series D preferred shares	US\$12,000,000.0
Anderson Investments Pte. Ltd.	November 10, 2017	9,340,724 series D preferred shares	US\$50,000,000.0
HH DYU Holdings Limited	November 10, 2017	3,736,290 series D preferred shares	US\$20,000,000.0
TPG Growth III SF Pte. Ltd.	November 10, 2017	1,214,294 series D preferred shares	US\$6,500,000.0
Bluestone Company Limited	November 10, 2017	4,670,362 series D preferred shares	US\$25,000,000.0
Bright Sky II, L.P.	November 10, 2017	4,670,362 series D preferred shares	US\$25,000,000.0
Diamond Division Limited	November 10, 2017	523,081 series D preferred shares	US\$2,800,000.0
WEST CITY ASIA LIMITED	November 10, 2017	653,851 series D preferred shares	US\$3,500,000.0

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<b>Securities/Purchaser</b>	<b>Date of Issuance</b>	<b>Number of Securities</b>	<b>Consideration</b>
Haixia NEV International Limited Partnership	November 10, 2017	5,604,435 series D preferred shares	US\$30,000,000.0
Palace Investments Pte.Ltd.	November 10, 2017	896,710 series D preferred shares	US\$4,800,000.0
KEEN EAGLE CAPITAL INVESTMENT LIMITED	November 10, 2017	373,629 series D preferred shares	US\$2,000,000.0
Caitong Funds SPC – New Technology Fund Segregated Portfolio	November 24, 2017	4,670,362 series D preferred shares	US\$25,000,000.0
CICC Ehealthcare Investment Limited	November 24, 2017	2,802,217 series D preferred shares	US\$15,000,000.0
CapThrone Investment Limited Partnership	November 24, 2017	1,868,145 series D preferred shares	US\$10,000,000.0
HCM VI Limited	November 24, 2017	2,428,588 series D preferred shares	US\$13,000,000.0
STAR AZURE INTERNATIONAL LIMITED	December 1, 2017	4,670,362 series D preferred shares	US\$25,000,000.0
Oceanwide Sigma Limited	December 15, 2017	934,072 series D preferred shares	US\$5,000,000.0
Directors, executive officers and employees and consultants of our company	August 1, 2018	29,692,274 ordinary Shares issued by exercising the vested options	Services to our company
Directors, executive officers and employees and consultants of our company	Various dates	Options to purchase 88,939,542 ordinary shares	Services to our company

## **ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

### (a) Exhibits

See Exhibit Index beginning on page II-10 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of “materiality” that are different from “materiality” under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

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(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

**ITEM 9. UNDERTAKINGS.**

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act 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 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, 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 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, 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) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

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- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

**NIO Inc.**

**Exhibit Index**

<b>Exhibit Number</b>	<b>Description of Document</b>
1.1*	Form of Underwriting Agreement
3.1	<a href="#">Tenth Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect</a>
3.2	<a href="#">Form of Eleventh Amended and Restated Memorandum and Articles of Association of the Registrant (effective immediately prior to the closing of this offering)</a>
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of American Depositary Shares issued thereunder
4.4	<a href="#">Shareholders Agreement between the Registrant and other parties thereto dated November 10, 2017</a>
5.1	<a href="#">Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters</a>
8.1	<a href="#">Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)</a>
8.2	<a href="#">Opinion of Han Kun Law Offices regarding certain PRC tax matters (included in Exhibit 99.2)</a>
10.1	<a href="#">2015 Share Incentive Plan</a>
10.2	<a href="#">2016 Share Incentive Plan</a>
10.3	<a href="#">2017 Share Incentive Plan</a>
10.4	<a href="#">2018 Share Incentive Plan</a>
10.5	<a href="#">Form of Indemnification Agreement between the Registrant and its directors and executive officers</a>
10.6	<a href="#">Form of Employment Agreement between the Registrant and its executive officers (Non-PRC citizens)</a>
10.7	<a href="#">Form of Employment Agreement between the Registrant and its executive officers (PRC citizens)</a>
10.8	<a href="#">Employment Agreement between the Registrant and Louis T. Hsieh dated September 25, 2017</a>
10.9	<a href="#">Employment Agreement and Severance Agreement between the Registrant and Padmasree Warrior dated November 23, 2015 and January 1, 2016, respectively</a>
10.10*	English translation of Manufacture Cooperation Agreement between the registrant and Jianghuai Automobile Group Co., Ltd. dated May 25, 2016
10.11	<a href="#">English translation of Power of Attorney among shareholders of Shanghai Anbin, Shanghai Anbin and NIO Co., Ltd. dated April 19, 2018</a>
10.12	<a href="#">English translation of Loan Agreements among shareholders of Shanghai Anbin, Shanghai Anbin and NIO Co., Ltd. dated April 19, 2018</a>
10.13	<a href="#">English translation of Equity Interest Pledge Agreements among shareholders of Shanghai Anbin, Shanghai Anbin and NIO Co., Ltd. dated April 19, 2018</a>
10.14	<a href="#">English translation of Exclusive Business Cooperation Agreements among shareholders of Shanghai Anbin, Shanghai Anbin and NIO Co., Ltd. dated April 19, 2018</a>
10.15	<a href="#">English translation of Exclusive Option Agreements among shareholders of Shanghai Anbin, Shanghai Anbin and NIO Co., Ltd. dated April 19, 2018</a>



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<b><u>Exhibit Number</u></b>	<b><u>Description of Document</u></b>
10.16	<a href="#"><u>English translation of Power of Attorney among shareholders of Beijing NIO, Beijing NIO and NIO Co., Ltd. dated April 19, 2018</u></a>
10.17	<a href="#"><u>English translation of Loan Agreements among shareholders of Beijing NIO, Beijing NIO and NIO Co., Ltd. dated April 19, 2018</u></a>
10.18	<a href="#"><u>English translation of Equity Interest Pledge Agreements among shareholders of Beijing NIO, Beijing NIO and NIO Co., Ltd. dated April 19, 2018</u></a>
10.19	<a href="#"><u>English translation of Exclusive Business Cooperation Agreements among shareholders of Beijing NIO, Beijing NIO and NIO Co., Ltd. dated April 19, 2018</u></a>
10.20	<a href="#"><u>English translation of Exclusive Option Agreements among shareholders of Beijing NIO, Beijing NIO and NIO Co., Ltd. dated April 19, 2018</u></a>
21.1	<a href="#"><u>Significant Subsidiaries of the Registrant</u></a>
23.1	<a href="#"><u>Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm</u></a>
23.2	<a href="#"><u>Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)</u></a>
23.3	<a href="#"><u>Consent of Han Kun Law Offices (included in Exhibit 99.2)</u></a>
23.4	<a href="#"><u>Consent of Denny Ting Bun Lee</u></a>
24.1	<a href="#"><u>Powers of Attorney (included on signature page)</u></a>
99.1	<a href="#"><u>Code of Business Conduct and Ethics of the Registrant</u></a>
99.2	<a href="#"><u>Opinion of Han Kun Law Offices regarding certain PRC law matters</u></a>
99.3	<a href="#"><u>Consent of Frost &amp; Sullivan</u></a>

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\* To be filed by amendment.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 Shanghai, China, on August 13, 2018.

**NIO INC.**

By: /s/ Bin Li

Name: Bin Li

Title: Chairman of the Board of Directors  
and Chief Executive Officer

## POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Bin Li and Louis T. Hsieh as attorneys-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the “Securities Act”), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the “Shares”), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the “Registration Statement”) to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Bin Li</u> Bin Li	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	August 13, 2018
<u>/s/ Lihong Qin</u> Lihong Qin	Director	August 13, 2018
<u>/s/ Padmasree Warrior</u> Padmasree Warrior	Director	August 13, 2018
<u>/s/ Tian Cheng</u> Tian Cheng	Director	August 13, 2018
<u>/s/ Xiang Li</u> Xiang Li	Director	August 13, 2018
<u>/s/ Hai Wu</u> Hai Wu	Director	August 13, 2018
<u>/s/ Yaqin Zhang</u> Yaqin Zhang	Director	August 13, 2018
<u>/s/ Xiangping Zhong</u> Xiangping Zhong	Director	August 13, 2018

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> /s/ Zhaohui Li Zhaohui Li	Director	August 13, 2018
<hr/> /s/ Louis T. Hsieh Louis T. Hsieh	Chief Financial Officer (Principal Financial and Accounting Officer)	August 13, 2018

**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 NIO Inc. has signed this registration statement or amendment thereto in Newark, Delaware on August 13, 2018.

**Authorized U.S. Representative**

By: /s/ Donald J. Puglisi

Name: Donald J. Puglisi

Title: Managing Director

**TENTH AMENDED AND RESTATED**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**NIO INC.**

**(adopted by special resolution dated November 10, 2017)**

**INCORPORATED IN THE CAYMAN ISLANDS**

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THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

TENTH AMENDED AND RESTATED MEMORANDUM OF  
ASSOCIATION

OF

**NIO INC.**

(Adopted by special resolution passed on November 10, 2017)

1. The name of the Company is **NIO Inc.**
2. The Registered Office of the Company shall be situated at the offices of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands, or such other place in the Cayman Islands as the Directors may from time to time decide, being the registered office of the Company.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by Section 7(4) of the Companies Law (as amended) or as the same may be amended from time to time, or any other law of the Cayman Islands. Such objects shall include, but without limitation, the following:
  - (a)
    - (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
    - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
  - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

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- (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licenses, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.
  - (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organize any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
  - (e) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration therefor.
  - (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors or the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.



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4. Except as prohibited or limited by the Companies Law (as amended), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz:
- to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a license is required under the laws of the Cayman Islands when so licensed under the terms of such laws.
5. The Company is a company limited by shares. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

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6. The authorised share capital of the Company is US\$500,000 divided into 2,000,000,000 shares, comprising of: (i) 1,151,269,325 ordinary shares of a nominal or par value of US\$0.00025 each, (ii) 165,000,000 Series A-1 Preferred Shares of a nominal or par value of US\$0.00025 each, (iii) 130,000,000 Series A-2 Preferred Shares of a nominal or par value of US\$0.00025 each, (iv) 31,720,364 Series A-3 Preferred Shares of a nominal or par value of US\$0.00025 each, (v) 114,867,321 Series B Preferred Shares of a nominal or par value of US\$0.00025 each, (vi) 167,142,990 Series C Preferred Shares of a nominal or par value of US\$0.00025 each, and (v) 240,000,000 Series D Preferred Shares of a nominal or par value of US\$0.00025 each, with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (as amended) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 163 of the Companies Law (as amended) and, subject to the provisions of the Companies Law (as amended) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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THE COMPANIES LAW (As Amended)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

NINTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

**NIO INC.**

(Adopted by special resolution passed on November 10, 2017)

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith,

<u>“Additional Closing”</u>	has the same meaning as in the Purchase Agreement.
<u>“Additional Shares”</u>	shall bear the meaning set forth in Article 8(c)(iii)(B) hereto.
<u>“Affiliate”</u>	has the same meaning as in the Shareholders Agreement.
<u>“Articles”</u>	means these Articles as originally framed or as from time to time altered by Special Resolution.
<u>“Approved Sale”</u>	has the same meaning as in the Shareholders Agreement.
<u>“Auditors”</u>	means the persons for the time being performing the duties of auditors of the Company.
<u>“Baidu Capital”</u>	means BAIDU CAPITAL L.P., an exempted limited partnership duly registered and validly existing under the laws of Cayman Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“Benchmark Shares”</u>	means, with respect to a holder of Preferred Shares, the number of Preferred Shares held by such holder of Preferred Shares as of the Initial Closing Date as defined in the Shareholders Agreement(as converted or reclassified from time to time in accordance with these articles).

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<u>“Blissful Days”</u>	means Blissful Days Holdings Limited (福日控股有限公司), a British business company duly incorporated and validly existing under the Laws of the British Virgin Islands
<u>“Bluefuture”</u>	means Bluefuture Fund L.P., an exempted limited partnership duly incorporated and validly existing under the Laws of the Cayman Islands.
<u>“Bluestone”</u>	means BLUESTONE COMPANY LIMITED, a company limited by shares duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Board” and “Board of Directors”</u>	means the board of directors of the Company.
<u>“Bright Sky”</u>	means BRIGHT SKY II, L.P., an exempted limited partnership duly registered and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Business”</u>	means the business of the Group Companies, which is research and development, design, manufacturing, and sales of new energy automobiles (electric cars) and/or the components and accessory products related thereto, the provision of related services, the establishment and operation of charging networks, and other business as may be approved by the Board or the Members of the Company in accordance with these Articles and the Shareholders Agreement from time to time.
<u>“Business Day”</u>	means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, the PRC or Hong Kong
<u>“Champion Elite”</u>	means Champion Elite Global Limited (冠傑環球有限公司), a BVI business company duly registered and validly existing under the Laws of the British Virgin Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.

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<u>“ChinaEquity”</u>	means CHINAEQUITY SMART TRAVEL CO., LTD., a limited liability company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“CIB”</u>	means Tea Leaf Limited, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands.
<u>“CIIT”</u>	means CHINA INDUSTRIAL INTERNATIONAL TRUST ASSET MANAGEMENT COMPANY LIMITED (兴业国信资产管理有限公司) a limited liability company duly registered and validly existing under the Laws of the PRC, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“Closing”</u>	has the same meaning as in the Purchase Agreement.
<u>“Company”</u>	means the above-named Company.
<u>“Control Documents”</u>	has the same meaning as in the Purchase Agreement.
<u>“Control Documents Termination”</u>	means a termination of the Control Documents that has a materially adverse effect on the condition, business or prospects of the Company.
<u>“Covered Persons”</u>	shall bear the meaning set forth in Article 138 hereto.
<u>“debenture”</u>	means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.
<u>“Deemed Liquidation”</u>	shall bear the meaning set forth in Article 8(b)(vii) hereto.
<u>“Directors”</u>	means all of the directors for the time being of the Company.
<u>“Electronic Record”</u>	has the same meaning as in the Electronic Transactions Law.
<u>“Electronic Transactions Law”</u>	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands.

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<u>“Energy”</u>	means ENERGY LEE LIMITED, a business company with limited liability duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-1 Preferred Shares as of the date of adoption of these Articles.
<u>“Equity Securities”</u>	means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, note, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any contract providing for the acquisition of any of the foregoing.
<u>“Excluded Opportunity”</u>	shall bear the meaning set forth in Article 138 hereto.
<u>“Exempted Securities”</u>	shall bear the meaning set forth in Article 8(c)(iii)(E) hereto.
<u>“Fair Market Value”</u>	shall bear the meaning set forth in Article 8(b)(viii) hereto.
<u>“Founder Vehicles”</u>	means, collectively, mobike Global and Originalwish.
<u>“Four Votes”</u>	shall bear the meaning set forth in Article 79 hereto.
<u>“Golden Brick”</u>	means GOLDEN BRICK CAPITAL PRIVATE EQUITY FUND II L.P., an exempted limited partnership duly registered and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Grandfield”</u>	means GRANDFIELD INVESTMENT LTD., an exempted company duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares as of the date of adoption of these Articles.

“Group Company”

means each of the Company and its Subsidiaries (including NIO Nextev Limited (formerly known as Nextev Limited), XPT Limited, XPT Technology Limited, XPT, Inc., NIO Co., Ltd., Shanghai XPT Technology Co., Ltd., XPT (Jiangsu) Investment Co., Ltd., (formerly known as “XPT Investment Co. Ltd.”) XPT (Nanjing) E-Powertrain Technology Co., Ltd., XPT (Nanjing) Energy Storage System Co., Ltd., NIO Technology Co., Ltd., Nextev User Enterprise Limited, Shanghai NIO Sales and Service Co., Ltd. (formerly known as Shanghai Weilai Auto Distribution Service Co. Ltd.), Nextev Power Express Limited, NIO Energy Investment (Hubei) Co. (formerly known as “Nextev Energy Investment (Hubei) Co.”), Ltd., Shanghai NIO Energy Technology Co., Ltd. (formerly known as “Shanghai Nextev Energy Technology Co., Ltd.”), Wuhan NIO Energy Co., Ltd. (formerly known as “Wuhan Nextev Energy Co., Ltd.”), Beijing Libite Auto Technology Co., Ltd., Xtronic (Nanjing) Automotive Intelligent Technology Co. Ltd., NIO USA, Inc. (formerly known as Nextev USA, Inc.), NIO GmbH (formerly known as Nextev GmbH), NIO Nextev (UK) Ltd (formerly known as Nextev (UK) Limited), other Subsidiaries set out on Schedule III of the Purchase Agreement, and other Subsidiaries to be established from time to time), and “Group” or “Group Companies” refers to all of Group Companies collectively.

“Guangfa”

means Guangfa Xinde Capital Management Limited, a corporation duly incorporated under and validly existing under the Laws of the British Virgin Islands.

“Haitong”

means HAITONG INTERNATIONAL INVESTMENT HOLDINGS LIMITED, a limited liability company duly incorporated and validly existing under the laws of British Virgin Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.

“Haixia”

means HAIXIA NEV INTERNATIONAL LIMITED PARTNERSHIP, a limited partnership company duly incorporated and validly existing under the laws of Cayman Islands, and a holder of Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.

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<u>“Hammer Capital”</u>	means Leap Prospect Limited, a British Virgin Islands company wholly owned by Hammer Capital (Private Equity) SPC – Leap Prospect SP, and a holder of Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Hanfor”</u>	means HF Holdings Limited, an exempted company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“Hillhouse”</u>	means collectively (1) HH DYU HOLDINGS LIMITED, an exempted company with limited liability duly incorporated and validly existing under the laws of the Cayman Islands, (2) Hillhouse NEV, and (3) HH.
<u>“Hillhouse NEV”</u>	means HILLHOUSE NEV HOLDINGS LIMITED, an exempted company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-2 Preferred Shares and Series B Preferred Shares as of the date of adoption of these Articles.
<u>“HH”</u>	HH RSV-X HOLDINGS LIMITED, an exempted company with limited liability duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares as of the date of adoption of these Articles
<u>“Honor Best”</u>	means HONOR BEST INTERNATIONAL LIMITED, a company with limited liability duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“Image Frame”</u>	means IMAGE FRAME INVESTMENT (HK) LIMITED, a limited liability company duly incorporated and validly existing under the laws of Hong Kong, and a holder of Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.



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<u>“IDG”</u>	<p>means collectively</p> <p>(1) IDG CHINA VENTURE CAPITAL FUND IV L.P., an exempted limited partnership registered and validly existing under the laws of the Cayman Islands, and (2) IDG CHINA IV INVESTORS L.P., an exempted limited partnership registered and validly existing under the laws of the Cayman Islands, which are the holders of Series B Preferred Shares as of the date of adoption of these Articles; and</p> <p>(3) IDG CHINA VENTURE CAPITAL FUND IV L.P., an exempted limited partnership registered and validly existing under the laws of the Cayman Islands, (4) IDG CHINA IV INVESTORS L.P., an exempted limited partnership registered and validly existing under the laws of the Cayman Islands, and (5) CYBER TYCOON LIMITED, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands, which are the holders of Series C Preferred Shares as of the date of adoption of these Articles.</p>
<u>“Joy Capital”</u>	means JOY CAPITAL I, L.P., an exempted limited partnership duly registered and validly existing under the laws of the Cayman Islands, and a holder of Series A-3 Preferred Shares and Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Keen Eagle”</u>	means Keen Eagle Capital Investment Limited (銳鷹創富有限公司) a limited liability company duly incorporated and validly existing under the Laws of Hong Kong, and a holder of Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Key Employees”</u>	has the same meaning as in the Purchase Agreement.
<u>“Lenovo”</u>	means ULTIMATE LENOVO LIMITED, a limited liability company duly incorporated and validly existing under the laws of British Virgin Islands, and a holder of Series B Preferred Shares and Series C Preferred Shares as of the date of adoption of these Articles.
<u>“Liquidation”</u>	shall bear the meaning set forth in Article 8(b)(vii) hereto.
<u>“Liquidation Events”</u>	shall bear the meaning set forth in Article 8(b)(vii) hereto.

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<u>“Loan and Security Agreement”</u>	The Loan and Security Agreement dated March 10, 2016 by and between the Company and Padmasree Warrior, pursuant to which the Company provided a loan to Padmasree Warrior, and Padmasree Warrior pledged to the Company and granted to the Company a first-priority lien upon 7,509,933 Series A-3 Preferred Shares held by Padmasree Warrior.
<u>“Long Winner”</u>	means LONG WINNER INVESTMENT LIMITED, a limited company duly incorporated and validly existing under the laws of Hong Kong, and a holder of Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Magic Stone”</u>	means MAGIC STONE ALTERNATIVE PRIVATE EQUITY FUND, L.P., an exempted limited partnership duly organized and validly existing under the laws of the Cayman Islands, and a holder of Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Majority Preferred Holders”</u>	means the holders of at least 75% of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis).
<u>“Majority Series A Preferred Holders”</u>	means the holders of at least a majority of the voting power of the then outstanding Series A Preferred Shares (voting together as a single class and calculated on an as-converted basis).
<u>“Majority Series B Preferred Holders”</u>	means the holders of at least a majority of the voting power of the then outstanding Series B Preferred Shares (voting together as a single class and calculated on an as-converted basis).
<u>“Majority Series C Preferred Holders”</u>	means the holders of at least a majority of the voting power of the then outstanding Series C Preferred Shares (voting together as a single class and calculated on an as-converted basis).
<u>“Majority Series D Preferred Holders”</u>	means the holders of at least a majority of the voting power of the then outstanding Series D Preferred Shares (voting together as a single class and calculated on an as-converted basis).
<u>“Material Group Subsidiaries”</u>	has the same meaning as in the Shareholders Agreement.
<u>“Member”</u>	shall bear the meaning as ascribed to it in the Statute.

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<u>“mobike Global”</u>	means mobike Global Ltd., a business company with limited liability duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-1 Preferred Shares as of the date of adoption of these Articles.
<u>“month”</u>	means calendar month.
<u>“Mount Putuo”</u>	means MOUNT PUTUO INVESTMENT LIMITED, an exempted company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-2 Preferred Shares and Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Morespark”</u>	means MORESPARK LIMITED, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong, and a holder of Series D Preferred Shares as of the date of adoption of these Articles.
<u>“New Margin Capital”</u>	means NEW MARGIN CAPITAL HONG KONG CO., LIMITED (聯創資本（香港）有限公司), a limited liability company duly incorporated and validly existing under the laws of Hong Kong, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“New Issue Price”</u>	shall bear the meaning set forth in Article 8(c)(iii)(B) hereto.
<u>“Oceanwide”</u>	means China Oceanwide International Asset Management Limited (中泛國際資產管理有限公司), a BVI business company duly incorporated and validly existing under the Laws of the British Virgin Islands.
<u>“Ordinary Resolution”</u>	means a resolution (subject to Article 8(d) and Schedule A hereto):  (a) passed by the Members holding at least fifty percent (50%) of the voting power of the then outstanding shares of the Company, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company; or  (b) approved in writing by the Members holding at least ninety percent (90%) of the voting power of the then outstanding shares of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed.

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<u>“Ordinary Share”</u>	means a voting, redeemable ordinary share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement, and, immediately upon closing of a Qualified IPO.
<u>“Ordinary Share Equivalents”</u>	any Equity Security that by its terms is convertible into or exchangeable or exercisable for Ordinary Shares or other share capital of the Company, including without limitation the Preferred Shares.
<u>“Orient Hontai”</u>	means ORIENT HONTAI LIMITED, a business company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Originalwish”</u>	means ORIGINALWISH LIMITED, a business company with limited liability duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-1 Preferred Shares as of the date of adoption of these Articles.
<u>“paid-up”</u>	means paid-up and/or credited as paid-up.
<u>“Padmasree Warrior”</u>	means Padmasree Warrior, a U.S. citizen and a holder of Series A-3 Preferred Shares as of the date of adoption of these Articles.
<u>“Palace”</u>	means PALACE INVESTMENTS PTE. LTD., a private company limited by shares duly incorporated and validly existing under the laws of Republic of Singapore, and a holder of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Person”</u>	means any individual, natural person, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

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<u>“PRC”</u>	means the People’s Republic of China, but solely for the purposes of these Articles, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
<u>“Preferred Shares”</u>	means the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or the Series D Preferred Shares.
<u>“Preferred Share Conversion Price”</u>	means the Series A Conversion Price, the Series B Conversion Price, the Series C Conversion Price and/or the Series D Conversion Price, where applicable.
<u>“Preferred Share Dividend Preference”</u>	shall bear the meaning set forth in Article 8(a)(i)(D) hereto.
<u>“Preferred Share Original Issue Price”</u>	means the Series A Original Issue Price, the Series B Original Issue Price, the Series C Original Issue Price and/or the Series D Original Issue Price, where applicable.
<u>“Preferred Share Preferential Dividend”</u>	shall bear the meaning set forth in Article 8(a)(ii) hereto.
<u>“Preferred Share Redemption Price”</u>	means the applicable Series A Redemption Price, Series B Redemption Price, Series C Redemption Price and/or Series D Redemption Price (depends on the circumstances).
<u>“Prime Hubs”</u>	means PRIME HUBS LIMITED, a business company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands and a holder of the Ordinary Shares as of the date of adoption of these Articles.
<u>“Prime Hubs Grantee”</u>	has the same meaning as in the Purchase Agreement.
<u>“Prime Hubs Shares”</u>	has the same meaning as in the Purchase Agreement.
<u>“Purchase Agreement”</u>	means the Series D Preferred Share Purchase Agreement entered into by and among the Company, certain Group Companies, Prime Hubs, Founder Vehicles, and certain Series D Investors on November 10, 2017, as duly amended, restated or supplemented from time to time.

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<u>“Qualified IPO”</u>	means a firm commitment underwritten registered initial public offering by the Company of its Ordinary Shares (or securities of the Company representing the Ordinary Shares) on Hong Kong Stock Exchange, Nasdaq, New York Stock Exchange or other internationally recognized stock exchange, as approved by the Majority Preferred Holders, pursuant to a registration statement (or any analogous document, if applicable) that is filed with and declared effective in accordance with the securities laws of relevant jurisdiction, at a public offering price (prior to customary underwriters’ commissions and expenses) that values the Company at least US\$6 billion on a fully diluted basis immediately prior to the completion of such offering, with gross proceeds to the Company in excess of US\$1 billion, or otherwise approved by the Majority Preferred Holders.
<u>“registered office”</u>	means the registered office for the time being of the Company.
<u>“Right of First Refusal &amp; Co-Sale Agreement”</u>	the Fifth Amended and Restated Right of First Refusal & Co-Sale Agreement entered into by and among the Company and all of the Members on November 10, 2017, as amended, restated or supplemented from time to time.
<u>“Seal”</u>	means the common seal of the Company and includes every duplicate seal.
<u>“Secretary”</u>	includes an Assistant Secretary and any Person appointed to perform the duties of Secretary of the Company.
<u>“Sequoia”</u>	means SEQUOIA CAPITAL CHINA GF HOLDCO III-A, LTD., an exempted company duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series A-3 Preferred Shares as of adoption of these Articles.
<u>“SCC”</u>	means SCC GROWTH IV HOLDCO A, LTD., an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands, and a holder of Series B Preferred Shares and Series D Preferred Shares as of adoption of these Articles.

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<u>“Series A Conversion Price”</u>	means (i) with respect to the Series A-1 Preferred Shares and the Series A-2 Preferred Shares, initially US\$1.00, and (ii) with respect to the Series A-3 Preferred Shares, initially US\$1.6522, each subject to adjustment as provided in Article 8(c)(iii).
<u>“Series B Conversion Price”</u>	means with respect to the Series B Preferred Shares, initially US\$2.751, subject to adjustment as provided in Article 8(c)(iii).
<u>“Series C Conversion Price”</u>	means with respect to the Series C Preferred Shares, initially US\$3.885, subject to adjustment as provided in Article 8(c)(iii).
<u>“Series D Conversion Price”</u>	means with respect to the Series D Preferred Shares, initially US\$5.353, subject to adjustment as provided in Article 8(c)(iii).
<u>“Series A Original Issue Price”</u>	means (i) with respect to the Series A-1 Preferred Shares and the Series A-2 Preferred Shares, US\$1.00 per share, and (ii) with respect to the Series A-3 Preferred Shares, US\$1.6522 per share.
<u>“Series B Original Issue Price”</u>	means with respect to the Series B Preferred Shares, US\$2.751 per share.
<u>“Series C Original Issue Price”</u>	means with respect to the Series C Preferred Shares, US\$3.885 per share.
<u>“Series D Original Issue Price”</u>	means with respect to the Series D Preferred Shares, US\$5.353 per share.
<u>“Series A Original Issue Date”</u>	means the date of issuance of the relevant Series A Preferred Shares, (i) with respect to each Founder Vehicle, Hillhouse NEV and Shunwei, March 18, 2015; (ii) with respect to Energy and Mount Putuo, May 6, 2015; (iii) with respect to Smart Group, June 23, 2015; (iv) with respect to Sequoia and Joy Capital, September 12 2015; and (v) with respect to Padmasree Warrior, March 10, 2016.
<u>“Series B Original Issue Date”</u>	means the date of issuance of the relevant Series B Preferred Shares, (i) with respect to Temasek, TPG, Bluestone, Hillhouse NEV, Shunwei, Mount Putuo, SCC, Joy Capital, Magic Stone, Golden Brick, Palace, Grandfield, and Lenovo, July 21, 2016; (ii) with respect to IDG (except for Cyber Tycoon Limited), August 19, 2016; (iii) with respect to Bright Sky, September 30, 2016, and (iv) with respect to Long Winner, HH and Orient Hontai, February 9, 2017.

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<u>“Series C Original Issue Date”</u>	means the date of issuance of the relevant Series C Preferred Shares, with respect to Baidu Capital, West City, WP, Haixia, Haitong, New Margin Capital, Image Frame, Palace, Total Prestige, Bright Sky, TPG, Bluestone, Zhide, ChinaEquity, IDG and Honor Best, March 24, 2017.
<u>“Series D Original Issue Date”</u>	means the date of issuance of the relevant Series D Preferred Shares to the relevant Series D Investor.
<u>“Series A Preferred Shares”</u>	means Series A-1 Preferred Shares, Series A-2 Preferred Shares and/or Series A-3 Preferred Shares.
<u>“Series A Preferred Share Dividend Preference”</u>	shall bear the meaning set forth in Article 8(a)(i)(D) hereto.
<u>“Series A Liquidation Preference”</u>	shall bear the meaning set forth in Article 8(b)(v) hereto.
<u>“Series A-1 Preferred Share”</u>	means a voting, redeemable and convertible Series A-1 Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
<u>“Series A-2 Investor”</u>	means each or any of Hillhouse NEV, Shunwei, Mount Putuo, Smart Group, and any Person who purchases Series A-2 Preferred Shares from time to time, as long as such investor continues to hold any Series A- 2 Preferred Shares.
<u>“Series A-2 Preferred Share”</u>	means a voting, redeemable and convertible Series A-2 Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
<u>“Series A-3 Investor”</u>	means each or any of Sequoia, Joy Capital, Padmasree Warrior, and any Person who purchases Series A-3 Preferred Shares from time to time, as long as such investor continues to hold any Series A-3 Preferred Shares.
<u>“Series A-3 Liquidation Preference”</u>	shall bear the meaning set forth in Article 8(b)(iv) hereto.



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<u>“Series A-3 Preferred Share”</u>	means a voting, redeemable and convertible Series A-3 Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
<u>“Series B Liquidation Preference”</u>	shall bear the meaning set forth in Article 8(b)(iii) hereto.
<u>“Series B Preferred Share Dividend Preference”</u>	shall bear the meaning set forth in Article 8(a)(i)(C) hereto.
<u>“Series B Preferred Share”</u>	means a voting, redeemable and convertible Series B Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
<u>“Series B Investor”</u>	means each or any of Temasek, TPG, Bluestone, Hillhouse NEV, Shunwei, Mount Putuo, SCC, Joy Capital, Magic Stone, Orient Hontai, Golden Brick, Palace, Grandfield, Lenovo, IDG (except for Cyber Tycoon Limited), Bright Sky, HH and Long Winner, and any Person who purchases Series B Preferred Shares from time to time, as long as such investor continues to hold any Series B Preferred Shares.
<u>“Series C Preferred Share”</u>	means a voting, redeemable and convertible Series C Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
<u>“Series C Preferred Share Dividend Preference”</u>	shall bear the meaning set forth in Article 8(a)(i)(B) hereto.
<u>“Series C Liquidation Preference”</u>	shall bear the meaning set forth in Article 8(b)(ii) hereto.

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<u>“Series C Investor”</u>	means each or any of Baidu Capital, West City, WP, Haixia, Haitong, New Margin Capital, Image Frame, Palace, Total Prestige, Bright Sky, TPG, Bluestone, Zhide, ChinaEquity, IDG, Honor Best, Temasek, Lenovo, Champion Elite, CIIT, Guangfa, Bluefuture, Hanfor, CIB, Blissful Days, UBS, Keen Eagle, Oceanwide and any Person who purchases Series C Preferred Shares from time to time, as long as such investor continues to hold any Series C Preferred Shares.
<u>“Series D Preferred Share”</u>	means a voting, redeemable and convertible Series D Preferred Share in the capital of the Company, par value of US\$0.00025 per share, having the rights, powers, privileges and restrictions set forth in these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement
<u>“Series D Preferred Share Dividend Preference”</u>	shall bear the meaning set forth in Article 8(a)(i)(A) hereto.
<u>“Series D Liquidation Preference”</u>	shall bear the meaning set forth in Article 8(b)(i) hereto.
<u>“Series D Investor”</u>	means each or any of Image Frame, Moreshpark, Hammer Capital and any Person who purchases Series D Preferred Shares from time to time, as long as such investor continues to hold any Series D Preferred Shares.
<u>“Series A Redemption Price”</u>	shall bear the meaning set forth in Article 18(IV) hereto.
<u>“Series A Redemption Requestor”</u>	shall bear the meaning set forth in Article 18(IV) hereto.
<u>“Series B Redemption Price”</u>	shall bear the meaning set forth in Article 18(III) hereto.
<u>“Series B Redemption Requestor”</u>	shall bear the meaning set forth in Article 18(III) hereto.
<u>“Series C Redemption Price”</u>	shall bear the meaning set forth in Article 18(II) hereto.
<u>“Series C Redemption Requestor”</u>	shall bear the meaning set forth in Article 18(II) hereto.
<u>“Series D Redemption Price”</u>	shall bear the meaning set forth in Article 18(I) hereto.

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<u>“Series D Redemption Requestor”</u>	shall bear the meaning set forth in Article 18(I) hereto.
<u>“Series D Transaction Documents”</u>	means the “Series D Transaction Documents” defined in the Purchase Agreement.
<u>“Shanghai Nextev”</u>	means a wholly owned subsidiary of NIO Nextev Limited established under the laws of the PRC.
<u>“share”</u>	means an Ordinary Share, Series A Preferred Share, Series B Preferred Share, Series C Preferred Share, Series D Preferred Shares or all of them, and includes a fraction of a share.
<u>“Shareholders Agreement”</u>	the Fifth Amended and Restated Shareholders Agreement entered into by and among the Company, the other existing Group Companies and all of the Members on November 10, 2017, as amended, restated or supplemented from time to time.
<u>“Smart Group”</u>	means SMART GROUP GLOBAL LIMITED, a business company duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series A-2 Preferred Shares as of the date of adoption of these Articles.
<u>“Shunwei”</u>	means collectively (1) SHUNWEI TMT II LIMITED, an exempted company duly incorporated and validly existing under the laws of the British Virgin Islands, and (2) SHUNWEI GROWTH II LIMITED, an exempted company duly incorporated and validly existing under the laws of the British Virgin Islands, and holders of Series A-2 Preferred Shares and Series B Preferred Shares as of the date of adoption of these Articles.
<u>“Special Resolution”</u>	means a resolution passed in accordance with Section 60 of the Companies Law, being a resolution (subject to Article 8(d) and Schedule A hereto):  (a) passed by the Members holding at least two thirds (2/3) of the voting power of the then outstanding shares of the Company, as vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given, or

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(b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed;

save that for the purposes of approving any matter identified in Schedule A to these Articles that the Statute requires to be passed by a Special Resolution, in computing the majority needed to approve such Special Resolution on a poll, regard shall be had to the number of votes to which each Member is entitled by virtue of Article 8(d)(ii).

“Statute”

means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.

“Stock Incentive Plans”

means (i) the 2015 Stock Incentive Plan and the 2016 Stock Incentive Plan of the Company, which set forth the rules for the grant of stock options, restricted shares and other awards to the employees, directors and consultants of the Group Companies (both U.S. citizens or non-U.S. citizens), (ii) the 2015 Stock Incentive Plan U.S. CEO Subplan, which sets forth the rules for the grant of stock options, restricted shares and other awards to the chief executive officer of the US Company, and (iii) any other stock option plans or equity incentive plans as may be adopted by the Company in accordance with these Articles and the Shareholders Agreement.

“Subsidiary”

with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person; where “Control” of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person.

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<u>“Temasek”</u>	means ANDERSON INVESTMENTS PTE. LTD., a private company limited by shares duly incorporated and validly existing under the laws of Republic of Singapore, and a holder of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Tencent”</u>	means, collectively, Image Frame, Mount Putuo, Morespark and any other Affiliate of Tencent, to the extent that it holds any Preferred Shares and/or Ordinary Shares.
<u>“Tencent Shareholding Threshold”</u>	shall bear the meaning set forth in Article 8(b)(viii) hereto.
<u>“Total Prestige”</u>	means TOTAL PRESTIGE INVESTMENT LIMITED, a limited liability company duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.
<u>“TPG”</u>	means TPG GROWTH III SF PTE. LTD., a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore, and a holder of Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.
<u>“Trade Sale”</u>	means any the following events:  (1) any consolidation, merger, amalgamation, or other business combination or corporate reorganization of the Company (and/or other Group Company(ies) collectively operating majority of the Business, collectively, the <u>“Major Group Companies”</u> ) with or into any Person (collectively, the <u>“Restructuring Event”</u> ), resulting in a change in ownership or control of the Company and/or the Major Group Companies in which the Persons holding securities with voting power in the Company and/or the Major Group Companies (as the case may be) immediately before such Restructuring Event own and control shares and securities representing less than fifty percent (50%) of the total combined voting power of the outstanding share capital of the surviving business entity immediately after such Restructuring Event, except that the Company’s ultimate shareholding structure immediately after such Restructuring Event is the same as that immediately before such Restructuring Event; or

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(2) a sale, transfer, exclusive license, lease or other disposition of all or substantially all of the assets (including Intellectual Property) of the Group Companies (or any series of related transactions resulting in such sale, transfer, exclusive license, lease or other disposition of all or substantially all of the assets of the Group Companies), except that such transferee, licensee or lessee's ultimate shareholding structure immediately after such event is the same as that of the Company immediately before such event; or

(3) a sale, transfer or other disposition of a majority of the issued and outstanding share capital or securities possessing more than fifty percent (50%) of the total combined voting power of the Company and/or of the Major Group Companies, except that such transferee's ultimate shareholding structure immediately after such event is the same as that of the Company immediately before such event.

"UBS"

means UBS AG, London Branch, a company duly incorporated and validly existing under the Laws of the Switzerland and registered as a branch in England and Wales Branch No. BR004507 at 5 Broadgate, London EC2M 2QS.

"West City"

means WEST CITY ASIA LIMITED, a company limited by shares duly incorporated and validly existing under the laws of the British Virgin Islands, and a holder of Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.

"WP"

means TANZANITE GEM HOLDINGS LIMITED, a limited liability company duly incorporated and validly existing under the laws of British Virgin Islands, and a holder of Series C Preferred Shares and Series D Preferred Shares as of the date of adoption of these Articles.

"written" and "in writing"

include all modes of representing or reproducing words in visible form.

"Zhide"

means ZHIDE EV INVESTMENT LIMITED, a limited liability company duly incorporated and validly existing under the laws of the Cayman Islands, and a holder of Series C Preferred Shares as of the date of adoption of these Articles.

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Words importing the singular number only include the plural number and vice-versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons only include corporations.

Any requirements as to delivery under the Articles include delivery in the form of an Electronic Record.

Any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law.

Sections 8 and 19(3) of the Electronic Transactions Law shall not apply.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the shares may have been allotted.
3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

#### CERTIFICATES FOR SHARES

4. (a) Certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the Person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled. The Directors may authorize certificates to be issued with the Seal and authorized signature(s) affixed by some method or system of mechanical process.

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- (b) Every Person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US\$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine, PROVIDED THAT in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.
- (c) Each existing or replacement certificate for shares of the Company shall bear the following legend:
- “THE SALE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN FIFTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT (AS AMENDED FROM TIME TO TIME) BY AND AMONG THE SHAREHOLDERS, THE COMPANY AND CERTAIN OTHER PARTIES THERETO. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY.”
- The Company may annotate its register of Members with an appropriate, corresponding legend. At such time as any share is no longer subject to the Right of First Refusal & Co-Sale Agreement, the Company shall, at the request of the holder of such share, issue replacement certificates for such share without such legend.
5. Notwithstanding Article 4 of these Articles, if a share certificate is defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

#### ISSUE OF SHARES

6. Subject to the provisions, if any, in the Memorandum of Association, these Articles (including Article 8(d) and Schedule A) and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such Persons, at such times and on such other terms as they think proper. Notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares or bearer warrants, coupons or certificates.



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7. The rights and restrictions attaching to the Ordinary Shares are as follows:

(a) Income

Holders of Ordinary Shares shall be entitled to such dividends as the Directors may in their absolute discretion lawfully declare, following payment of all dividends due on shares ranking in priority to the Ordinary Shares (including for the avoidance of doubt the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares), PROVIDED THAT no dividend shall be declared to the holders of Ordinary Shares unless such dividend has also been declared to the holders of Series A Preferred Shares, the holders of Series B Preferred Shares, the holders of Series C Preferred Shares and the holders of Series D Preferred Shares (who shall participate in such dividend as if the Series A Preferred Shares, or the Series B Preferred Shares, or the Series C Preferred Shares, or the Series D Preferred Shares held by them had been converted into Ordinary Shares at the then applicable Series A Conversion Price, or the then applicable Series B Conversion Price, or the then applicable Series C Conversion Price, or the then applicable Series D Conversion Price as the case may be).

(b) Capital

On a return of capital upon a Liquidation, Trade Sale or a Control Documents Termination in accordance with Article 8(b) below, following the payment of all amounts due on shares ranking in priority to the Ordinary Shares (including for the avoidance of doubt the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares), the Company's remaining assets available for distribution among the Members shall be distributed amongst the holders of the Ordinary Shares on a pro rata basis.

(c) Attendance at General Meetings and Voting

Holders of Ordinary Shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. Each Ordinary Share shall be entitled to one vote.

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8. The rights and restrictions attaching to the Preferred Shares are as follows:

(a) Dividends

- (i) Subject to the provisions of these Articles (including Article 8(d) and Schedule A) and the applicable Statute, the Board may from time to time declare dividends and other distributions on the outstanding shares of the Company and authorize payment of the same out of the funds of the Company legally available therefor. As to the dividend payment,
  - (A) the Series D Preferred Shares shall rank pari passu among themselves and senior and prior to the Series C Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (the “Series D Preferred Share Dividend Preference”)
  - (B) the Series C Preferred Shares shall rank pari passu among themselves and senior and prior to the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (the “Series C Preferred Share Dividend Preference”);
  - (C) the Series B Preferred Shares shall rank pari passu among themselves and senior and prior to the Series A Preferred Shares and the Ordinary Shares (the “Series B Preferred Share Dividend Preference”); and
  - (D) the Series A Preferred Shares shall rank pari passu among themselves and senior and prior to the Ordinary Shares (the “Series A Preferred Share Dividend Preference”, and together with the Series D Preferred Dividend Preference, Series C Preferred Share Dividend Preference and the Series B Preferred Share Dividend Preference, the “Preferred Share Dividend Preference”).
- (ii) If and only if the Directors resolve to declare a dividend payable to the Members out of funds legally available for distribution, each holder of Preferred Shares shall be entitled to receive, subject to the Preferred Share Dividend Preference, a non-cumulative preferential dividend no less than as calculated at the annual rate of 5% (inclusive) of the applicable Preferred Share Original Issue Price on each Preferred Share held by such holder, for each calendar year such Preferred Share is outstanding (or pro rata for a partial year) (the “Preferred Share Preferential Dividend”). If the Preferred Share Preferential Dividend has not been paid in full when due, the Company shall not pay any dividends or distributions on the Ordinary Shares or any other securities of the Company until such time as the Preferred Share Preferential Dividend has been paid in full with respect to all amounts then due.

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- (iii) In addition to the Preferred Share Preferential Dividend, in case of payment of dividends on any Ordinary Shares, holders of the Preferred Shares shall also be entitled to receive dividends declared on Ordinary Shares, subject to the Preferred Share Dividend Preference, on an as-converted basis.
- (b) Liquidation Distribution: upon the Liquidation of the Company, the assets of the Company legally available for distribution among Members shall be applied in the following order and manner:
- (i) First, be applied in payment of the following amounts on each outstanding Series D Preferred Share held by the Members thereof, prior and in preference to any payment or distribution of any assets of the Company to the holders of Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares, Ordinary Shares and any other class of shares of the Company:
- (A) an amount equal to the higher of (1) 100% of the Series D Original Issue Price of such Series D Preferred Share, and (2) the amount that would be payable on such Series D Preferred Share if such Series D Preferred Share is converted into Ordinary Share(s) immediately before such Liquidation; and
- (B) the amount of all declared but unpaid dividends on such Series D Preferred Share based on such holder's pro rata portion of the total number of the Series D Preferred Shares.

(such amounts on Series D Preferred Shares referred to this Section 8(b)(i), the "Series D Liquidation Preference").

If, upon any Liquidation, the assets of the Company legally available for distribution shall be insufficient to permit the payment of the Series D Liquidation Preference in full to all holders of all outstanding Series D Preferred Shares, then all of the assets legally available for distribution shall be distributed among and paid to the holders of the outstanding Series D Preferred Shares (on a pari passu basis) in accordance with this Article 8(b)(i), ratably among such holders in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit such payment in full.

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- (ii) Second, be applied in payment of the following amounts on each outstanding Series C Preferred Share held by the Members thereof, prior and in preference to any payment or distribution of any assets of the Company to the holders of Series B Preferred Shares, Series A Preferred Shares, Ordinary Shares and any other class of shares of the Company:
- (A) an amount equal to the higher of (1) 100% of the Series C Original Issue Price of such Series C Preferred Share, and (2) the amount that would be payable on such Series C Preferred Share if such Series C Preferred Share is converted into Ordinary Share(s) immediately before such Liquidation; and
  - (B) the amount of all declared but unpaid dividends on such Series C Preferred Share based on such holder's pro rata portion of the total number of the Series C Preferred Shares.
- (such amounts on Series C Preferred Shares referred to this Section 8(b)(ii), the "Series C Liquidation Preference").
- If, upon any Liquidation, after payment of the Series D Liquidation Preference, the remaining assets of the Company legally available for distribution shall be insufficient to permit the payment of the Series C Liquidation Preference in full to all holders of all outstanding Series C Preferred Shares, then all of the assets legally available for distribution shall be distributed among and paid to the holders of the outstanding Series C Preferred Shares (on a pari passu basis) in accordance with this Article 8(b)(ii), ratably among such holders in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit such payment in full.
- (iii) Third, be applied in payment of the following amounts on each outstanding Series B Preferred Share held by the Members thereof, prior and in preference to any payment or distribution of any assets of the Company to the holders of Series A Preferred Shares, Ordinary Shares and any other class of shares of the Company:
- (A) an amount equal to the higher of (1) 100% of the Series B Original Issue Price of such Series B Preferred Share, and (2) the amount that would be payable on such Series B Preferred Share if such Series B Preferred Share is converted into Ordinary Share(s) immediately before such Liquidation; and

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- (B) the amount of all declared but unpaid dividends on such Series B Preferred Share based on such holder's pro rata portion of the total number of the Series B Preferred Shares.

(such amounts on Series B Preferred Shares referred to this Section 8(b)(iii), the "Series B Liquidation Preference").

If upon any Liquidation, after payment of the Series D Liquidation Preference and the Series C Liquidation Preference, the remaining assets of the Company legally available for distribution shall be insufficient to permit the payment of the Series B Liquidation Preference in full to all holders of all outstanding Series B Preferred Shares, then all of the remaining assets legally available for distribution shall be distributed among and paid to the holders of the outstanding Series B Preferred Shares (on a pari passu basis) in accordance with this Article 8(b)(iii), ratably among such holders in proportion to the amounts that would be payable to such holders if such remaining assets were sufficient to permit such payment in full.

- (iv) Fourth, be applied in payment of the following amounts on each outstanding Series A-3 Preferred Share held by the Members thereof, prior and in preference to any payment or distribution of any assets of the Company to the holders of Series A-2 Preferred Shares, Series A-1 Preferred Shares, Ordinary Shares and any other class of shares of the Company:

- (A) an amount equal to the higher of (1) 100% of the Series A Original Issue Price of such Series A-3 Preferred Share, and (2) the amount that would be payable on such Series A-3 Preferred Share if such Series A-3 Preferred Share is converted into Ordinary Share(s) immediately before such Liquidation; and

- (B) the amount of all declared but unpaid dividends on such Series A-3 Preferred Share based on such holder's pro rata portion of the total number of the Series A-3 Preferred Shares.

(such amounts on Series A-3 Preferred Shares referred to this Section 8(b)(iv), the "Series A-3 Liquidation Preference").

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If upon any Liquidation, after payment of the Series D Liquidation Preference, the Series C Liquidation Preference and the Series B Liquidation Preference, the remaining assets of the Company legally available for distribution shall be insufficient to permit the payment of the Series A-3 Liquidation Preference in full to all holders of all outstanding Series A-3 Preferred Shares, then all of the remaining assets legally available for distribution shall be distributed among and paid to the holders of the outstanding Series A-3 Preferred Shares (on a pari passu basis) in accordance with this Article 8(b)(iv), ratably among such holders in proportion to the amounts that would be payable to such holders if such remaining assets were sufficient to permit such payment in full.

- (v) Fifth, be applied in payment of the following amount on each outstanding Series A-2 Preferred Share and each outstanding Series A-1 Preferred Share (on pari passu basis) held by the Members thereof, prior and in preference to any payment or distribution of any assets of the Company to any other class of shares of the Company ranking junior to the Series A-1 Preferred Shares and the Series A-2 Preferred Shares (including but not limited to the Ordinary Shares):
- (A) an amount equal to the higher of (1) 100% of the Series A Original Issue Price of such Series A-2 Preferred Share and such Series A-1 Preferred Share, and (2) the amount that would be payable on such Series A-2 Preferred Share or such Series A-1 Preferred Share if such Series A-2 Preferred Share or such Series A-1 Preferred Share is converted into Ordinary Share(s) immediately before such Liquidation (as the case may be); and
  - (B) the amount of all declared but unpaid dividends on such Series A-2 Preferred Share and such Series A-1 Preferred Share based on such holder's pro rata portion of the total number of the Series A-2 Preferred Shares and the Series A-1 Preferred Shares.

(such amounts on Series A-2 Preferred Shares and Series A-1 Preferred Shares referred to this Section 8(b)(v), the "Series A Liquidation Preference").

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If upon any Liquidation, after payment of the Series D Liquidation Preference, the Series C Liquidation Preference, the Series B Liquidation Preference and the Series A-3 Liquidation Preference, the remaining assets of the Company legally available for distribution shall be insufficient to permit the payment of the Series A Liquidation Preference in full to all holders of all outstanding Series A-1 Preferred Shares and Series A-2 Preferred Shares, then all of the remaining assets legally available for distribution shall be distributed among and paid to the holders of the outstanding Series A-1 Preferred Shares and Series A-2 Preferred Shares (on a pari passu basis) in accordance with this Article 8(b)(v), ratably among such holders in proportion to the amounts that would be payable to such holders if such remaining assets were sufficient to permit such payment in full.

- (vi) Finally, after full payment of the Series D Liquidation Preference, Series C Liquidation Preference, the Series B Liquidation Preference, the Series A-3 Liquidation Preference and the Series A Liquidation Preference to all holders of Preferred Shares, if there are still assets of the Company legally available for distribution, such remaining assets of the Company shall be distributed to the holders of issued and outstanding Ordinary Shares on pro rata basis among themselves.
- (vii) The following events shall be treated as a liquidation (“Liquidation”) unless waived by the Majority Series A Preferred Holders, the Majority Series B Preferred Holders, the Majority Series C Preferred Holders and the Majority Series D Preferred Holders: the voluntary or involuntary liquidation of the Major Group Companies under any applicable bankruptcy, insolvency or reorganization legislation or the dissolution or winding up of Major Group Companies, or any appointment of an administrator or a receiver over all or substantially all assets of Major Group Companies. A Trade Sale or a Control Documents Termination shall be deemed to be a Liquidation for purposes of these Articles unless the Majority Series A Preferred Holders, the Majority Series B Preferred Holders, the Majority Series C Preferred Holders and the Majority Series D Preferred Holders otherwise agree in writing and have notified the Company of such agreement in accordance with these Articles. Any cash payment or issuance or distribution of securities or other property to the Company’s Members in connection with a Trade Sale or a Control Documents Termination deemed to be a Liquidation (a “Deemed Liquidation”, together with Liquidation, the “Liquidation Events”) shall be distributed and allocated among the holders of Shares in the same order and manner as provided in Articles 8(b)(i)-(vi).

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- (viii) Upon the occurrence of a Liquidation Event, the Company may distribute assets or securities other than cash to the Members, in which case, the holders of Preferred Shares shall be entitled (in the absence of alternative arrangements to give effect to Articles 8(b)(i)-(vi) that are agreed in writing by the Majority Series A Preferred Holders, the Majority Series B Preferred Holders, the Majority Series C Preferred Holders and the Majority Series D Preferred Holders) to receive such assets or securities, or to receive a cash payment from the Company in the amount that they would have received in connection with a Liquidation Event, based upon the Fair Market Value of such assets or securities as of the completion of such Liquidation Event, where, the “Fair Market Value” of any assets or securities (other than cash) shall be determined in good faith by the Board of Directors (including by at least one director appointed by the holder(s) of the Series A Preferred Shares, one director appointed by holder(s) the Series B Preferred Shares, one director appointed by holder(s) of the Series C Preferred Shares and one director appointed by holder(s) of the Series D Preferred Shares); provided that, if any holder of Preferred Shares objects in writing to any such determination within 30 days after receiving notice thereof from the Company, such Fair Market Value shall be determined at the Company’s expense by an internationally recognized appraiser chosen by the Board of Directors (including at least one director appointed by the holders of the Series A Preferred Shares, the director appointed by Temasek, the director appointed by Baidu Capital and the director appointed by Tencent, for so long as Temasek or Baidu Capital (as applicable) shall hold at least 50% of its Benchmark Shares, and Tencent holds no less than 46,000,000 Preferred Shares (as converted or reclassified from time to time), which number shall be adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification effected after the Initial Closing Date (the “Tencent Shareholding Threshold”)); and provided further that the Fair Market Value of any securities listed on a securities exchange shall be the average closing price of such securities on such exchange for the five trading days ending on the third day prior to such distribution, with an appropriate discount (to be determined by an appraiser as provided above) in the event that such securities are subject to any lock-up or other restriction on resale under applicable securities laws, exchange rules or contractual arrangements.
- (ix) Any securities or other property issued or distributed to holders of the Company’s capital stock in connection with a Liquidation Event shall be valued for purposes of this Article 8(b) at Fair Market Value.



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(c) Conversion

- (i) Optional Conversion. Each fully paid Series D Preferred Share may be converted, at any time and from time to time after the applicable Series D Original Issue Date, at the option of the holder thereof, into the number of fully paid and non-assessable Ordinary Shares equal to (x) the Series D Original Issue Price divided by (y) the Series D Conversion Price then in effect.

Each fully paid Series C Preferred Share may be converted, at any time and from time to time after the applicable Series C Original Issue Date, at the option of the holder thereof, into the number of fully paid and non-assessable Ordinary Shares equal to (x) the Series C Original Issue Price divided by (y) the Series C Conversion Price then in effect.

Each fully paid Series B Preferred Share may be converted, at any time and from time to time after the applicable Series B Original Issue Date, at the option of the holder thereof, into the number of fully paid and non-assessable Ordinary Shares equal to (x) the Series B Original Issue Price divided by (y) the Series B Conversion Price then in effect.

Each fully paid Series A Preferred Share may be converted, at any time and from time to time after the applicable Series A Original Issue Date, at the option of the holder thereof, into the number of fully paid and non-assessable Ordinary Shares equal to (x) the applicable Series A Original Issue Price divided by (y) the applicable Series A Conversion Price then in effect.

- (ii) Mandatory Conversion. (A) Immediately prior to the completion of a Qualified IPO, each fully paid Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class A Ordinary Shares based on the applicable Preferred Share Conversion Price then in effect, as the case may be, except that the Preferred Shares and Ordinary Shares beneficially owned by Tencent and the Founder Vehicles shall be converted into such Ordinary Shares in accordance with Article 67.

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(B) At any time, upon written consent of the holder(s) of a majority of the outstanding Series D Preferred Shares, each Series D Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) based on the Series D Conversion Price then in effect; upon written consent of the holder(s) of a majority of the outstanding Series C Preferred Shares, each Series C Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) based on the Series C Conversion Price then in effect; upon written consent of the holder(s) of a majority of the outstanding Series B Preferred Shares, each Series B Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) based on the Series B Conversion Price then in effect; upon written consent of the holder(s) of a majority of the outstanding Series A-3 Preferred Shares, each Series A-3 Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) based on the applicable Series A Conversion Price then in effect; upon written consent of the holder(s) of a majority of the outstanding Series A-2 Preferred Shares and Series A-1 Preferred Shares (voting together as one class on an as-converted basis), each fully paid Series A-2 Preferred Share and Series A-1 Preferred Shares shall be converted into the number of fully paid and non-assessable Ordinary Share(s) based on the applicable Series A Conversion Price then in effect.

(iii) Anti-Dilution.

- (A) If the Company shall at any time or from time to time, prior to the conversion of any Preferred Shares: (1) subdivide or split up the issued Ordinary Shares into a larger number of shares; (2) combine, consolidate or redeem the issued Ordinary Shares into a smaller number of shares; (3) conduct any capital reorganization; or any reclassification of the Ordinary Shares; or (4) issue and allot fully paid Ordinary Shares or securities of the Company pursuant to a capitalization of profits or reserves, or distribution of profits; then the applicable Preferred Share Conversion Price as in effect immediately prior thereto shall be adjusted (and any other appropriate actions shall be taken by the Company) so that the holders of any outstanding Preferred Shares thereafter converted shall be entitled to receive the number of Ordinary Shares or securities of the Company and other consideration that such holders would have owned or been entitled to receive upon the effectiveness of such sub-division, share split, combination, consolidation, reorganization, reclassification, capitalization or contribution, had such Preferred Shares been converted immediately prior to the effectiveness of such sub-division, share split, combination, consolidation, reorganization, reclassification, capitalization or contribution. All such adjustments shall be made whenever any of the events described above occurs and shall become effective at the close of business on the day upon which such corporate action becomes effective.

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- (B) Subject to Article 8(c)(iii)(D) and (E), if the Company shall at any time or from time to time prior to the conversion of a series of Preferred Shares, issue or sell any Equity Securities ("Additional Shares") for a consideration per Ordinary Share (on an as-converted basis) (the "New Issue Price") that is less than the Preferred Share Conversion Price with respect to such series of Preferred Shares in effect on the date on which the Company fixes the offering price for the Additional Shares, then, and in such case, the Preferred Share Conversion Price with respect to such series of Preferred Shares in effect immediately prior to such issuance shall be reduced, concurrently with such issuance, to the New Issue Price. In case of issuance of Ordinary Share Equivalent, the New Issue Price shall be equal to (x) the sum of the price for such Ordinary Share Equivalent plus any additional consideration payable (without regard to any anti-dilution adjustment) upon the conversion, exchange or exercise of such Ordinary Share Equivalent divided by (y) the number of Ordinary Share or Preferred Share, as applicable, into which such Ordinary Share Equivalent is initially convertible or exercisable.

The adjustment to a Preferred Share Conversion Price shall be made whenever such Additional Shares are issued (PROVIDED HOWEVER, that no further adjustment in the Preferred Share Conversion Price shall be made upon the subsequent exercise, conversion or exchange, as applicable, of the Ordinary Share Equivalents pursuant to the terms of such Ordinary Share Equivalents, in case the Additional Shares are Ordinary Share Equivalents), and shall become effective immediately following such issuance. In determining the price per Ordinary Share in the case of the issuance of any Ordinary Share Equivalent, the value of all non-cash consideration shall be determined based on the Fair Market Value of such consideration.

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- (C) For the purpose of making any adjustment to the Preferred Share Conversion Price or number of Ordinary Shares issuable upon conversion of any Preferred Shares, as provided in Article 8(c)(iii)(B) above:
- (1) to the extent it consists of cash, the consideration received by the Company for any issue or sale of securities shall be computed at the net amount of cash received by the Company after deduction of any expenses payable directly or indirectly by the Company and any underwriting or similar commissions, compensations, discounts or concessions paid or allowed by the Company in connection with such issue or sale;
  - (2) to the extent it consists of property other than cash, consideration other than cash received by the Company for any issue or sale of securities shall be computed at the Fair Market Value thereof, as determined in good faith by the Directors as of the date of the adoption of the resolution specifically authorizing such issue or sale, irrespective of any accounting treatment of such property; and
  - (3) if the Equity Securities exercisable, convertible or exchangeable for the Additional Shares are issued or sold together with other stock or securities or other assets of the Company for consideration which covers both, the consideration received for such issue or sale shall be computed as that portion of the consideration received which is reasonably determined in good faith by the Directors to be allocable to such Additional Shares.
- (D) Subject to Article 8(c)(iii)(E), if the Company distributes to all holders of Ordinary Shares (1) any shares of the Company (other than Ordinary Shares) or evidences of indebtedness or cash or other assets (excluding regular cash dividends or distributions paid from retained earnings of the Company and dividends or distributions referred to in Article 8(c)(iii)(A) but including any crediting of shares as fully paid), or (2) rights, options or warrants to subscribe for or purchase any of its securities (excluding those referred to in Article 8(c)(iii)(B)), then in each such case, the holders of the Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Ordinary Shares into which such Preferred Shares are convertible as of the record date fixed for the determination of the holders of Ordinary Shares entitled to receive such distribution or the effective date of such distribution. Payment of such proportionate share to the holders of the Preferred Shares shall be made whenever any such distribution is made to the holders of Ordinary Shares. If any such distribution is not made or if any or all of such rights, options or warrants expire or terminate without having been exercised, the Preferred Share Conversion Price then in effect shall be appropriately adjusted, where applicable.

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- (E) The provisions of Article 8(c)(iii)(B) and (D) shall not apply to the following Equity Securities (the “Exempted Securities”):
- (1) Ordinary Shares (and/or options or warrants therefore) (including any of such Shares which are repurchased) issued to officers, directors, employees and consultants of the Group Companies pursuant to the Stock Incentive Plans approved in accordance with these Articles and the Shareholders Agreement;
  - (2) any Equity Securities issued pursuant to the Purchase Agreement and any Ordinary Shares issued upon the conversion of the Preferred Shares authorized under these Articles;
  - (3) any Equity Securities issued upon the exercise of any option of the Company issued prior to the Initial Closing;
  - (4) any Equity Securities issued pursuant to any transaction with any strategic partners as approved by the Majority Preferred Holders and/or the Board in accordance with these Articles and the Shareholders Agreement, provided that if such strategic partner is any of the holders of Preferred Shares or any of their respective Affiliates, such holder of Preferred Shares and the director appointed by such holder of Preferred Shares, as applicable, shall abstain from all voting in the general meetings, Board meetings or resolutions in relation to the transactions described under this Article 8(e)(iii)(E)(4), as applicable, and provided further that in case the Equity Securities are issued in such transaction at a price per share less than the then applicable Conversion Price of any series of Preferred Shares (except Series A-1 Preferred Shares and Series A-2 Preferred Shares), such transaction shall also be approved by the holders of a majority of the outstanding Preferred Shares in such series;

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- (5) any Equity Securities issued pursuant to any transaction with any financial institutions or lessors in connection with loans, credit arrangements, equipment financings or similar transactions, provided that such transaction has been approved by the Majority Preferred Holders and/or the Board in accordance with these Articles and the Shareholders Agreement, provided that if such financial institution or lessor is any of the holders of Preferred Shares or any of their respective Affiliates, such holder of Preferred Shares and the director appointed by such holder of Preferred Shares, as applicable, shall abstain from all voting in the general meetings, Board meetings or resolutions in relation to the transactions described under this Article 8(e)(iii)(E) (5), as applicable, and provided further that in case the Equity Securities are issued in such transaction at a price per share less than the then applicable Conversion Price of any series of Preferred Shares (except Series A-1 Preferred Shares and Series A-2 Preferred Shares), such transaction shall also be approved by the holders of a majority of the outstanding Preferred Shares in such series;
- (6) any Equity Securities issued in connection with any share split, share dividend, reclassification or other similar event in which all holders of Preferred Shares are entitled to participate on a pro rata basis;
- (7) any Equity Securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or a series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, provided that such acquisition or reorganization has been approved by the Majority Preferred Holders and/or the Board in accordance with these Articles and the Shareholders Agreement, and provided further that in case the Equity Securities are issued in such acquisition or reorganization at a price per share less than the then applicable Conversion Price of any series of Preferred Shares (except Series A-1 Preferred Shares and Series A-2 Preferred Shares), such acquisition or reorganization shall also be approved by the holders of a majority of the outstanding Preferred Shares in such series; or

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- (8) any Equity Securities issued pursuant to a Qualified IPO.
- (F) Notwithstanding any other provision of this Article 8(c)(iii), no adjustment in the Preferred Share Conversion Price shall actually be made until the cumulative effect of the adjustments called for by this Article 8(c)(iii) since the date of the last change in the Preferred Share Conversion Price would change the Preferred Share Conversion Price by more than one percent. However, once the cumulative effect would result in a change of more than one percent, then the Preferred Share Conversion Price shall be adjusted to reflect all adjustments called for by this Article 8(c) and not previously made. Notwithstanding the first sentence of this Article 8(c)(iii)(F), any adjustment postponed pursuant to such sentence shall be made no later than immediately prior to the date of any conversion of the Preferred Share.
- (G) The new Preferred Share Conversion Price shall be adjusted to the nearest cent.
- (H) The new Preferred Share Conversion Price adjusted pursuant to this Article 8(c)(iii) shall become effective from the date of the issue of Additional Shares.
- (I) Whenever the Preferred Share Conversion Price is adjusted as herein provided, the Company shall forthwith prepare and keep at its registered office a certificate signed by any Director stating the adjusted Preferred Share Conversion Price and showing in detail the facts requiring such adjustment, and notice thereof shall be mailed to the respective holders of Preferred Shares as set out in the register of Members of the Company no later than ten (10) days after such adjustment is made.

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- (J) In case any event shall occur as to which the other provisions of this Article 8(c)(iii) are not strictly applicable, but the failure to make any adjustment to the Preferred Share Conversion Price would not fairly protect the conversion rights of the Preferred Shares in accordance with the essential intent and principles hereof, then, in each such case, the Board, in good faith, shall determine the appropriate adjustment to be made, on a basis consistent with the essential intent and principles established in this Article 8(c)(iii), necessary to preserve, without dilution, the conversion rights of the Preferred Shares. If the Majority Series D Preferred Holders with respect to the Series D Preferred Shares, the Majority Series C Preferred Holders with respect to the Series C Preferred Shares, the Majority Series B Preferred Holders with respect to the Series B Preferred Shares or the Majority Series A Preferred Holders with respect to the Series A Preferred Shares shall reasonably and in good faith disagree with such determination by the Board, then the Board shall appoint an internationally recognized investment banking firm, which shall give their opinion as to the appropriate adjustment, if any, on the basis described above. Upon receipt of such opinion, the Board will promptly mail a copy thereof to each holder of such series of Preferred Shares and shall make the adjustments described therein.
- (iv) Conversion Notice. In the case of an optional conversion as described in Article 8(c)(i), the conversion right shall be exercisable by a holder of Preferred Shares by delivery to the Company or its authorized agent of a conversion notice in such form as the Directors may from time to time determine (together with any original share certificate(s) relating to such Preferred Shares and any evidence the Directors may require to prove the title of the Person exercising the right to convert), requiring the Company to convert some or all of his Preferred Shares in accordance with these Articles. A conversion notice once given may not be withdrawn without the Company's written consent.



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- (v) Effectiveness. Conversion shall take place: (A) in the case of an optional conversion as described in Article 8(c)(i), at the close of business on the date of delivery of the conversion notice together with the evidence described in Article 8(c)(iv) to the Company (or if such date is not a Business Day, then on the next succeeding Business Day), and (B) in the case of an automatic conversion as described in Article 8(c)(ii), at the close of business on the Business Day immediately preceding the date of completion of the Qualified IPO (in the case of Article 8(c)(ii)(A) or at the close of business on the date of delivery of written consent (in the case of Article 8(c)(ii)(B)).
- Conversions made pursuant to Article 8(c) may be made by way of (at the option of the holder of the Preferred Shares but to the extent permitted by the applicable law): (1) redemption of the Preferred Shares to be converted and the issue of the corresponding number of Ordinary Shares as calculated in accordance with the provisions of Article 8(c), in which case, all Preferred Shares to be converted by way of redemption shall be cancelled on the date that appropriate entry or entries are made on the Company's register of Members both in respect of any redeemed and cancelled Preferred Shares and the issue of the Ordinary Shares, or (ii) re-designation of such Preferred Shares, or in such other manner and on such terms as the Board may determine to offer to the holders of the Preferred Shares.
- (vi) Cancellation of Shares. On the date of conversion of any Preferred Share the holder of such shares to be converted shall cease to be entitled to any rights in respect of that share (except for the right of such holder to receive Ordinary Shares and (if applicable), together with any accrued or declared but unpaid dividends on the Preferred Shares that have been converted) and accordingly his name shall be removed from the register of Members as the holder of such Preferred Share, and the Preferred Shares which are converted shall not be reissued as part of such series and will be canceled promptly upon the conversion thereof.
- (vii) Rights Attaching to New Shares. The Ordinary Shares to which the holder of Preferred Shares is entitled in exercising his right to convert:
- (A) shall be credited as fully paid;
  - (B) shall rank pari passu in all respects and form one class with the Ordinary Shares then in issue; and

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- (C) entitle the holder to be paid an appropriate proportion of all dividends and other distributions declared, made or paid on Ordinary Shares in respect of the calendar year in which the relevant conversion date falls, but not in respect of an earlier financial year.
- (viii) Certificates. A certificate for new Ordinary Shares shall be sent within four weeks of the relevant conversion date to each holder without charge, with a new certificate for any balance of unconverted Preferred Shares, comprised in the surrendered certificate and, if appropriate, a check in respect of a fractional entitlement.
- (ix) Fractional Shares. If more than one Preferred Share is to be converted at any one time by the same holder, the aggregate number of Ordinary Shares to be issued to the same person will be calculated on the basis of the aggregate number of Preferred Shares to be converted. Fractions of Ordinary Shares will not be issued on conversion from Preferred Shares. Fractions of Ordinary Shares will be rounded up to the nearest whole number of Ordinary Shares.
- (x) Stamp Duties. The Company shall pay all documentary, stamp or other similar taxes and any incidental expenses attributable to the issuance or delivery of the Ordinary Shares or other shares or securities or consideration upon conversion of any of the Preferred Shares, including, without limitation, any expenses of computing the adjustments provided for herein. However, the Company shall not be required to pay any documentary, stamp or other taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such shares in a name other than that of the holder of the Preferred Shares in respect of which such shares are being issued.
- (d) Attendance at General Meetings and Voting
- (i) Holders of Preferred Shares have the right, in the same manner as the holders of Ordinary Shares, to receive notice of, attend, speak and vote as a single class with the Ordinary Shares at a general meeting. Each holder present in person or by proxy or (being a corporation) by a representative, is entitled to exercise the number of votes which he would have been entitled to exercise if all the Preferred Shares held by him had been converted into Ordinary Shares immediately before the holding of the general meeting at the conversion rate then applicable.

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- (ii) Notwithstanding anything else contained in these Articles, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the acts described in Schedule A Part (I), whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by the Majority Preferred Holders, which shall include the approvals by Tencent for so long as the number of the Preferred Shares (as converted or reclassified from time to time) held by Tencent does not fall below the Tencent Shareholding Threshold and by the Founder Vehicles; provided however that, where the Statute requires a Special Resolution to approve any of the acts specified in Schedule A Part (I), in computing the majority on a poll for the purposes of passing such a Special Resolution at a meeting of Members, the Majority Preferred Holders, which shall include the approvals by Tencent for so long as the number of the Preferred Shares (as converted or reclassified from time to time) held by Tencent does not fall below the Tencent Shareholding Threshold and by the Founder Vehicles, shall have the voting rights equal to all Members who voted in favor of the Special Resolution plus one.
- (iii) Notwithstanding anything else contained in these Articles and without prejudicing the generality of the Article 8(d)(ii) above, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the acts described in Schedule A Part (II), whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by the Majority Preferred Holders, provided however that, where the Statute requires a Special Resolution to approve any of the acts specified in Schedule A Part (II), in computing the majority on a poll for the purposes of passing such a Special Resolution at a meeting of Members, the Majority Preferred Holders, shall have the voting rights equal to all Members who voted in favor of the Special Resolution plus one.

9. The Preferred Shares shall rank *pari passu* with each other, except for where these Articles (including without limitation Article 8, Article 18 and Article 19) and the Series D Transaction Documents expressly provide otherwise. The Preferred Shares rank senior to and in preference of the Ordinary Shares and all other share classes of the Company in all respects.

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10. The Directors shall at all times reserve and keep available and free of preemptive rights out of its authorized share capital a sufficient number of unissued Ordinary Shares solely for the purpose of issuing Ordinary Shares upon conversion of any Preferred Shares. If at any time the number of authorized but unissued shares is not sufficient to issue such shares, then the Directors and the Members shall as soon as practicable take all such action as may be necessary to increase the authorized share capital of the Company so such number and amount shall be sufficient for such purpose.
  11. No fractional shares will be issued and the number of shares to be issued shall be rounded up to the nearest whole share from any fraction resulting from any calculation under Article 8.
  12. The Company shall maintain a register of its Members.

#### TRANSFER OF SHARES

13. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.
14. The Directors may not decline to register any transfer of shares unless such registration of transfer would be contrary to any provisions in the Memorandum of Association, these Articles, the Statute, the Shareholders Agreement or the Right of First Refusal & Co-Sale Agreement or any other agreement binding on the Company. If the Directors refuse to register a transfer they shall notify the transferee within five (5) Business Days of such refusal, providing a detailed explanation of the reason therefore. The Directors shall register any transfer of shares that complies with these Articles, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement.
15. RESERVED.

#### REDEEMABLE SHARES

16. Subject to the provisions of the Statute, the Memorandum of Association and these Articles (including Schedule A), all shares are issued on the basis that they are redeemable on the terms and in the manner set forth in these Articles.
17. Subject to the provisions of the Statute, the Memorandum of Association and these Articles, the Company may purchase its own shares (including fractions of a share), including any redeemable share, PROVIDED THAT the manner of such purchase has first been authorised by the Company in general meeting and may make payment therefor in any manner authorised by the Statute, including out of capital.

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REDEMPTION

18. Subject to the Statute and notwithstanding Article 17:

- (I) upon the request by any holder of outstanding Series D Preferred Shares (the “Series D Redemption Requestor”), the Company shall redeem all of the outstanding Series D Preferred Shares held by such Series D Redemption Requestor out of funds legally available therefor including capital, at any time after the earliest to occur of (a) December 31, 2021, if no Qualified IPO or Approved Sale has been consummated prior to such date, (b) any material change in applicable law that would prohibit or otherwise make it illegal to continue to operate the Business under the then-existing equity structure of the Group, which could not be solved by alteration or adjustment of the equity structure of the Group after good faith consultation among the Company and the Members, (c) the early termination of employment or service contracts of no less than 30% of the Key Employees (or subsequent persons holding their respective positions) with the Group Companies during any six-month period (excluding any early termination with Cause (as defined under the Shareholders Agreement)) which has resulted in Material Adverse Effect (as defined in the Purchase Agreement) with respect to the Business of the Group Companies as a whole, (d) termination or disruption (which has not been resumed within 90 days) of the Business of the Group Companies as a whole, which is attributable to any Group Company’s non-compliance with applicable laws or breach or early termination of material business contracts or business arrangements with any supplier, clients or otherwise (any matter or event as described in items (a) to (d), hereinafter a “Redemption Event”), or (e) any Series A Redemption Requestor, Series B Redemption Requestor, Series C Redemption Requestor, or any other Series D Redemption Requestor has requested the Company to redeem its shares in any Redemption Event by delivery of a notice in accordance with Article 19. Subject to the Statute, the redemption amount payable for each Series D Preferred Share (the “Series D Redemption Price”) will be an amount equal to the greater of (x) 100% of the Series D Original Issue Price, plus all accrued but unpaid dividends thereon up to the date of redemption and interest on the Series D Original Issue Price compounded at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (y) the Fair Market Value of such Series D Preferred Shares at the date of redemption. The redemption right of the Series D Preferred Shares shall be senior and in preference to, and shall be satisfied before, the redemption right of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and any other securities of the Company.

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- (II) upon the request by any holder of outstanding Series C Preferred Shares (the “Series C Redemption Requestor”), the Company shall redeem all of the outstanding Series C Preferred Shares held by such Series C Redemption Requestor out of funds legally available therefor including capital, at any time after the earliest to occur of (a) any Redemption Event, and (b) any Series A Redemption Requestor, Series B Redemption Requestor, any Series D Redemption Requestor or any other Series C Redemption Requestor has requested the Company to redeem its shares in any Redemption Event by delivery of a notice in accordance with Article 19. Subject to the Statute, the redemption amount payable for each Series C Preferred Share (the “Series C Redemption Price”) will be an amount equal to the greater of (x) 100% of the Series C Original Issue Price, plus all accrued but unpaid dividends thereon up to the date of redemption and interest on the Series C Original Issue Price compounded at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (y) the Fair Market Value of such Series C Preferred Shares at the date of redemption. The redemption right of the Series C Preferred Shares shall be senior and in preference to, and shall be satisfied before, the redemption right of the Series A Preferred Shares, Series B Preferred Shares and any other securities of the Company (other than the Series D Preferred Shares).
- (III) upon the request by any holder of outstanding Series B Preferred Shares (the “Series B Redemption Requestor”), the Company shall redeem all of the outstanding Series B Preferred Shares held by such Series B Redemption Requestor out of funds legally available therefor including capital, at any time after the earliest to occur of (a) any Redemption Event, and (b) if any Series A Redemption Requestor, Series C Redemption Requestor, Series D Redemption Requestor or any other Series B Redemption Requestor has requested the Company to redeem its shares in any Redemption Event by delivery of a notice in accordance with Article 19. Subject to the Statute, the redemption amount payable for each Series B Preferred Share (the “Series B Redemption Price”) will be an amount equal to the greater of (x) 100% of the applicable Series B Original Issue Price, plus all accrued but unpaid dividends thereon up to the date of redemption and interest on the applicable Series B Original Issue Price compounded at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (y) the Fair Market Value of such Series B Preferred Shares at the date of redemption. The redemption right of the Series B Preferred Shares shall be senior and in preference to, and shall be satisfied before, the redemption right of the Series A Preferred Shares and any other securities of the Company (other than the Series C Preferred Shares and Series D Preferred Shares).

(IV) upon the request by any holder of outstanding Series A Preferred Shares (the “Series A Redemption Requestor”), the Company shall redeem all of the outstanding Series A Preferred Shares held by such Series A Redemption Requestor out of funds legally available therefor including capital, at any time after the earliest to occur of (a) any Redemption Event, and (b) if any Series B Redemption Requestor, Series C Redemption Requestor, Series D Redemption Requestor or any other Series A Redemption Requestor has requested the Company to redeem its shares in any Redemption Event by delivery of a notice in accordance with Article 19. Subject to the Statute, the redemption amount payable for each Series A Preferred Share (the “Series A Redemption Price”) will be an amount equal to the greater of (x) 100% of the applicable Series A Original Issue Price, plus all accrued but unpaid dividends thereon up to the date of redemption and interest on the applicable Series A Original Issue Price compounded at the rate of 8% per annum, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, mergers or similar transactions, and (y) the Fair Market Value of such Series A Preferred Shares at the date of redemption. The redemption right of Series A-3 Preferred Shares shall be senior and in preference to, and shall be satisfied before, the redemption right of the Series A-2 Preferred Shares, the Series A-1 Preferred Shares and any other securities of the Company (other than the Series B Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares). The redemption right of the Series A-2 Preferred Shares and redemption right of the Series A-1 Preferred Shares shall be pari passu with each other.

19. (a) If requested for redemption in accordance with Article 18, a Series A Redemption Requestor, a Series B Redemption Requestor, a Series C Redemption Requestor or a Series D Redemption Requestor (as the case may be) shall give a written notice of redemption with respect to the Preferred Shares requested to be redeemed (the “Redemption Shares”, and each a “Redemption Share”) to the Company, by hand or by mail to the business address of the Company (the date of receipt of such notice by the Company, the “Redemption Start Date”), which notice shall state the date after the Redemption Start Date on which the Redemption Shares are required to be redeemed (the “Redemption Date”), provided, however, that the Redemption Date shall be no earlier than fifteen (15) days after the Redemption Start Date and no later than ninety (90) days after Redemption Start Date. Upon receipt of any redemption request from a Series A Redemption Requestor, a Series B Redemption Requestor, a Series C Redemption Requestor or a Series D Redemption Requestor, the Company shall promptly give written notice of the redemption request to each non-requesting holder of the Preferred Shares, stating the existence of such request, the number of Redemption Shares, the applicable Preferred Share Redemption Price, the Redemption Date and the mechanics of redemption, and then, subject to Article 18 above, each such non-requesting holder of the Preferred Shares shall (subject to the provisions of these Articles) be entitled to request to have up to all of its own Preferred Shares included as the Redemption Shares and redeemed simultaneously with those of the Series A Redemption Requestors, and/or the Series B Redemption Requestors, and/or the Series C Redemption Requestors, and/or the Series D Redemption Requestors, as the case maybe, and if so requested, such non-requesting holder of the Preferred Shares shall become a Series A Redemption Requestor, or a Series B Redemption Requestor, or a Series C Redemption Requestor, or a Series D Redemption Requestor as the case may be.

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- (b) The Company shall redeem all of the Redemption Shares, and pay the Series D Redemption Price in full to each Series D Redemption Requestor, the Series C Redemption Price in full to each Series C Redemption Requestor, the Series B Redemption Price in full to each Series B Redemption Requestor and the Series A Redemption Price in full to each Series A Redemption Requestor on or before the relevant Redemption Date, provided, however, that in any event, the Company shall (1) first redeem the Series D Preferred Shares requested to be redeemed and pay to the Series D Redemption Requestor(s) the full amount of the Series D Redemption Price on such Series D Preferred Share subject to redemption, (2) after full payment of the Series D Redemption Price, redeem the Series C Preferred Shares requested to be redeemed and pay to the Series C Redemption Requestor(s) the full amount of the Series C Redemption Price on such Series C Preferred Share subject to redemption, (3) after full payment of the Series D Redemption Price and the Series C Redemption Price, redeem the Series B Preferred Shares requested to be redeemed and pay to the Series B Redemption Requestor(s) the full amount of the Series B Redemption Price on such Series B Preferred Share subject to redemption, (4) after full payment of the Series D Redemption Price, the Series C Redemption Price and the Series B Redemption Price, redeem the Series A-3 Preferred Shares requested to be redeemed and pay to the Series A Redemption Requestor(s) who are Series A-3 Investors the full amount of the Series A Redemption Price for such Series A-3 Preferred Share subject to redemption, and (5) after full payment of the Series D Preferred Shares, the Series C Redemption Price, the Series B Redemption Price and the Series A Redemption Price (with respect to the Series A Redemption Requestor(s) who are Series A-3 Investors), redeem the Series A-2 Preferred Shares and the Series A-1 Preferred Shares requested to be redeemed and pay to the Series A Redemption Requestor(s) who are Series A-2 Investors or Series A-1 Investors the full amount of the Series A Redemption Price for such Series A-2 Preferred Share and Series A-1 Preferred Shares subject to redemption.



- (c) If on the Redemption Date, the Company fails or is unable due to a rule of law or lack of sufficient fund to pay in full the Series A Redemption Price, Series B Redemption Price, Series C Redemption Price and Series D Redemption Price for all the Redemption Shares, then the funds that are legally available shall nonetheless: (1) first, be used to redeem each of the Series D Preferred Shares requested to be redeemed, and pay the Series D Redemption Price thereon in full (provided that if the Company's funds are insufficient to allow full payment of the Series D Redemption Price with respect to all of the Series D Preferred Shares required to be redeemed, such funds shall apply on a pro rata basis with respect to the Series D Preferred Shares requested to be redeemed); (2) second, after the payment in full of the Series D Redemption Price for each Series D Preferred Share requested to be redeemed, be used to redeem each of the Series C Preferred Shares requested to be redeemed, and pay the Series C Redemption Price thereon in full (provided that if the Company's funds are insufficient to allow full payment of the Series C Redemption Price with respect to all of the Series C Preferred Shares required to be redeemed, such funds shall apply on a pro rata basis with respect to the Series C Preferred Shares requested to be redeemed); (3) third, after the payment in full of the Series D Redemption Price for each Series D Preferred Share requested to be redeemed and the payment in full of the Series C Redemption Price for each Series C Preferred Share requested to be redeemed, be used to redeem each of the Series B Preferred Shares requested to be redeemed, and pay the Series B Redemption Price thereon in full (provided that if the Company's funds are insufficient to allow full payment of the Series B Redemption Price with respect to all of the Series B Preferred Shares required to be redeemed, such funds shall apply on a pro rata basis with respect to the Series B Preferred Shares requested to be redeemed); (4) fourth, after the payment in full of the Series D Redemption Price for each Series D Preferred Share requested to be redeemed, the payment in full of the Series C Redemption Price for each Series C Preferred Share requested to be redeemed and the payment in full of the Series B Redemption Price for each Series B Preferred Share requested to be redeemed, be used to redeem each of the Series A-3 Preferred Shares requested to be redeemed, and pay the Series A Redemption Price thereon in full (provided that if the Company's remaining funds are insufficient to allow full payment of the Series A Redemption Price with respect to all of the Series A-3 Preferred Shares required to be redeemed, such funds shall apply on a pro rata basis with respect to the Series A-3 Preferred Shares requested to be redeemed); (5) fifth, after the payment in full of the Series D Redemption Price for each Series D Preferred Share requested to be redeemed, the payment in full of the Series C Redemption Price for each Series C Preferred Share requested to be redeemed, the payment in full of the Series B Redemption Price for each Series B Preferred Share requested to be redeemed and the payment in full of the Series A Redemption Price for each Series A-3 Preferred Share requested to be redeemed, be used to redeem each of the Series A-2 Preferred Shares and Series A-1 Preferred Shares requested to be redeemed in a pro-rata manner in accordance with the relative full amounts owed thereon, and pay the Series A Redemption Price thereon in full (provided that if the Company's remaining funds are insufficient to allow full payment of the Series A Redemption Price with respect to all of the Series A-2 Preferred Shares and Series A-1 Preferred Shares required to be redeemed, such funds shall apply in a pro-rata manner in accordance with the relative full amounts owed with respect to the Series A-2 Preferred Shares and Series A-1 Preferred Shares requested to be redeemed); and (6) any shortfall shall be paid and applied from time to time out of legally available funds immediately as and when such funds become legally available against each outstanding Redemption Share in accordance with the relative remaining amounts owed thereon pursuant to this Article 19. Without limiting any rights of the holders of any Preferred Shares herein, or are otherwise available under applicable law, the balance of any Redemption Shares with respect to which the Company has become obligated to pay the applicable amount of Preferred Share Redemption Price but which it has not paid in full shall continue to have all the powers, designations, preferences and participating, optional, and other special rights (including, without limitation, rights to dividends) which such shares had prior to such date, until the redemption payment has been paid in full with respect to such shares.

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20. Before any holder of Redemption Shares shall be entitled to redeem its shares under the provisions of Article 18, such holder shall surrender his or her original certificate or certificates representing such Redemption Shares to be redeemed to the Company in the manner and at the place designated by the Directors for that purpose, and thereupon the applicable Preferred Share Redemption Price shall be immediately payable to such holder in accordance with these Articles and each such certificate shall be cancelled. In the event that less than all the shares represented by any such certificate are redeemed, a new certificate shall be promptly issued representing the unredeemed shares. Upon cancellation of the certificate representing such Redemption Shares to be redeemed and full payment of the applicable Preferred Share Redemption Price for such Redemption Shares, all dividends on such Redemption Shares shall cease to accrue and all rights of the holders thereof, without interest, shall cease and terminate and such Redemption Shares shall cease to be issued shares of the Company.
21. If the Company fails (for whatever reason) to redeem any Redemption Shares on its due date for redemption then, as from such date until the date on which the same are redeemed, the Company shall neither declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution. If the Preferred Share Redemption Price for all of the Preferred Shares to be redeemed is not paid in full within three (3) months after the Redemption Date (or the last Redemption Date if there are more than one) and the related Preferred Share Redemption Price is due and payable pursuant to these Articles, the Series A Redemption Requestors, the Series B Redemption Requestors, the Series C Redemption Requestors and the Series D Redemption Requestors (whose Redemption Shares have not been fully redeemed) shall have the right (subject to applicable law), during the period from the expiration of such three-month period to the date on which the applicable Preferred Share Redemption Price for all of the Redemption Shares to be redeemed is paid in full, to require the Company to, and the Company shall, take all actions necessary in order to enable the Company to be legally able to pay the full amount of such Preferred Share Redemption Price, including borrowing funds, selling assets or capital stock of any Group Company, distributing available dividends, applying for and obtaining approval for reduction of capital of any Group Company or liquidating and making liquidation distributions, and/or causing any Group Company to do any of the foregoing. To the extent permitted by applicable law, such Preferred Share Redemption Price shall be payable in US dollars outside of the PRC in immediately available funds.
22. To the extent permitted by law, the Company shall ensure that the profits of each Subsidiary of the Company for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of Redemption Shares required to be made pursuant to Article 18.

#### VARIATION OF RIGHTS OF SHARES

23. Without prejudice to and in addition to other provisions in these Articles (including Article 8(d) and Schedule A), if at any time the share capital of the Company is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series) may not (whether or not the Company is being wound-up) be varied, cancelled or adversely amended unless with the consent in writing of the holders of not less than three-fourths (3/4) of the issued shares of that class or series, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class or series.

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Notwithstanding anything to the contrary in these Articles (including the foregoing paragraph of this Article 23 and Article 8, Article 18, Article 19 and Schedule A) and any other Series D Transaction Document and for the avoidance of doubt, the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series D Preferred Shares under Article 8, and Articles 18 through 22 are different from those of any other classes or series of Preferred Shares, and therefore any amendment, variation, change or cancellation of any of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series D Preferred Shares under Article 8 and Articles 18 through 22 are subject to the prior written consent of the Majority Series D Preferred Holders. Notwithstanding anything to the contrary in these Articles (including the foregoing paragraph of this Article 23 and Article 8, Article 18, Article 19 and Schedule A) and any other Series D Transaction Document and for the avoidance of doubt, the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series C Preferred Shares under Article 8, and Articles 18 through 22 are different from those of any other classes or series of Preferred Shares, and therefore any amendment, variation, change or cancellation of any of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series C Preferred Shares under Article 8 and Articles 18 through 22 are subject to the prior written consent of the Majority Series C Preferred Holders. Notwithstanding anything to the contrary in these Articles (including the foregoing paragraph of this Article 23 and Article 8, Article 18, Article 19 and Schedule A) and any other Series D Transaction Document and for the avoidance of doubt, the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series B Preferred Shares under Article 8, and Articles 18 through 22 are different from those of any other classes or series of Preferred Shares, and therefore any amendment, variation, change or cancellation of any of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series B Preferred Shares under Article 8 and Articles 18 through 22 are subject to the prior written consent of the Majority Series B Preferred Holders. Notwithstanding anything to the contrary in these Articles (including the foregoing paragraph of this Article 23 and Article 8(d) and Schedule A) and any other Series D Transaction Document and for the avoidance of doubt, the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series A-3 Preferred Shares under Article 8(c), and Articles 18 through 22 are different from those of any other classes or series of Series A Preferred Shares, and therefore any amendment, variation, change or cancellation of any of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of the Series A-3 Preferred Shares under Article 8(b), Article 8(c), and Articles 18 through 22 are subject to the prior written consent of the holder of a majority of the outstanding Series A-3 Preferred Shares.

24. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class.

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25. The rights conferred upon the holders of a series of the Preferred Shares shall be deemed varied or abrogated by, inter alia:
- (a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the holders of, such series of the Preferred Shares;
  - (b) any action that authorizes, creates or issues shares of any class ranking as regards participation in the Company's profits or assets in priority to such series of the Preferred Shares;
  - (c) any action that reclassifies any issued shares of any class ranking as regards participation in the Company's profits or assets in priority to such series of the Preferred Shares; and
  - (d) any amendment to these Articles of Association that materially and adversely affects the rights of the holders of such series of the Preferred Shares.
26. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### COMMISSION ON SALE OF SHARES

27. The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgment of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

#### NON-RECOGNITION OF TRUSTS

28. No Person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### LIEN ON SHARES

29. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other Person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share (other than, for so long as any sums owed by Padmasree Warrior to the Company are outstanding, the 7,509,933 Series A-3 Preferred Shares registered under the name of Padmasree Warrior) shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.

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30. Other than (for so long as any sums owed by Padmasree Warrior to the Company under the Loan and Security Agreement are outstanding) the 7,509,933 Series A-3 Preferred Shares registered under the name of Padmasree Warrior (which may be sold or disposed by the Company at any time after occurrence of the Event of Default as defined and described in the Loan and Security Agreement), the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder or holders for the time being of the share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.
31. To give effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
32. The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

#### CALL ON SHARES

33. (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms. Any such calls shall not be less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the shares. A call may be revoked or postponed as the Directors may determine, PROVIDED THAT the Director appointed by the Member whose shares are subject to such call shall abstain from all discussions and voting of the Board in relation to such call. A call may be made payable by installments.

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- (b) A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed PROVIDED THAT the Director appointed by the Member whose shares are subject to such call shall not be entitled to vote on such resolution, and a simple majority of the remaining Directors shall have the power and authority to pass such a resolution.
- (c) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
34. If a sum called in respect of a share is not paid before or on a day appointed for payment thereof, the Persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten percent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.
35. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
36. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.
37. (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven percent (7%) per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.
- (b) Subject to Article 8(a)(iv), no such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

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COMPANY CALL RIGHT

38. (a) Subject to the Purchase Agreement, if a Member fails to pay any call or installment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors (excluding the Director(s) appointed by the Member whose shares are subject to the forfeiture hereunder) may, at any time thereafter during such time as any part of the call, installment or payment remains unpaid, give notice requiring payment of so much of the call, installment or payment as is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen (14) days from the date of giving of the notice) on or before the day appointed for the payment as specified in the Purchase Agreement, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.
- (b) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors (excluding the Director appointed by the Member whose shares are subject to the forfeiture) to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- (c) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors (excluding the Director appointed by the Member whose shares are subject to the call) think fit and at any time before a sale or disposition the forfeiture may be canceled on such terms as the Directors (excluding the Director appointed by the Member whose shares are subject to the call) think fit.
39. A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, and the liability of such Person to pay to the Company any monies (including the consideration of the forfeited shares and any interest or penalty thereon) in respect of the forfeited shares shall cease.
40. A certificate in writing under the hand of one Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all Persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favor of the Person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

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41. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### REGISTRATION OF EMPOWERING INSTRUMENTS

42. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

#### TRANSMISSION OF SHARES

43. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other Persons.
44. (a) Any Person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other Person nominated by him as the deceased or bankrupt Person could have made and to have such Person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.
- (b) If the Person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
45. A Person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company PROVIDED HOWEVER that the Directors may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.



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AMENDMENT OF MEMORANDUM OF ASSOCIATION, ALTERATION OF SHARE CAPITAL & CHANGE OF LOCATION OF REGISTERED OFFICE

46. (a) Subject to and in so far as permitted by the provisions of the Statute and these Articles (including Article 8(d) and Schedule A), the Company may from time to time by Special Resolution alter or amend its Memorandum of Association with respect to any objects, powers or other matters specified therein PROVIDED THAT the Company may by Ordinary Resolution:
- (i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;
  - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value;
  - (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any Person.
- (b) All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
- (c) Without prejudice to these Articles hereof and subject to the provisions of the Statute and these Articles (including Article 8(d) and Schedule A), the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.
- (d) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its registered office.

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CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

- 47A. A Member will not be entitled to notice of or to participate in or vote at any meeting of Members or any adjournment thereof, or to any rights and privileges provided in these Articles, and will not be subject to any obligations and restrictions provided in these Articles, in connection with any shares, until and unless it/he/she has been entered into the register of Members as a holder of such shares.
47. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors of the Company may provide that the register of Members shall be closed for transfers for a stated period but not to exceed in any case 40 days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members such register shall be so closed for at least ten (10) days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.
48. In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.
49. If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETING

50. (a) Subject to paragraph (c) hereof, the Company shall within one year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning.

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- (b) At these meetings the report of the Directors (if any) shall be presented.
  - (c) If the Company is exempted as defined in the Statute it may but shall not be obliged to hold an annual general meeting.
- 51.
- (a) The Directors may whenever they think fit, and they shall on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than one-tenth (1/10) of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company.
  - (b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.
  - (c) If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one (21) days.
  - (d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

#### NOTICE OF GENERAL MEETINGS

52. At least fifteen (15) days' notice shall be given of an annual general meeting or any other general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company PROVIDED THAT a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Article 51 have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of a general meeting called as an annual general meeting, by the Members entitled to attend and vote thereat or their proxies holding not less than ninety percent (90%) of the issued and outstanding shares of the Company (or their proxies); and

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- (b) in the case of any other general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than eighty-five percent (85%) of the issued and outstanding shares of the Company (or their proxies).
53. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any Person entitled to receive notice shall not invalidate the proceedings of that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

54. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; Members holding at least fifty percent (50%) of the outstanding share capital in the Company (including the holders of at least eighty percent (80%) of the voting power of the then outstanding Preferred Shares) present in person or by proxy shall be a quorum for a general meeting, provided that a general meeting shall be adjourned to the same time and place at least five (5) Business Days later if the quorum stated above is not present at such general meeting due to absence of any Series A-2 Investor or any Series A-3 Investor or any Series B Investor or any Series C Investor or any Series D Investor in person or by proxy, and if at such adjourned general meeting, a quorum is still not present within forty-five minutes from the time appointed for the meeting due to the absence of the same Series A-2 Investor or the same Series A-3 Investor or the same Series B Investor or the same Series C Investor or the same Series D Investor in person or by proxy, then the presence of such Series A-2 Investor, such Series A-3 Investor, such Series B Investor and/or such Series C Investor and/or such Series D Investor (as the case may be) in person or by proxy shall not be required for the quorum for this adjourned general meeting.
55. A resolution (which is a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A resolution (which is an Ordinary Resolution) in writing (in one or more counterparts) signed by the Members holding at least ninety percent (90%) of the voting power of the then outstanding shares of the Company, who for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives), shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
56. Subject to Article 54, if within forty-five minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the time and the place as set forth in Article 54 or to such other time or such other place as the Directors may determine.

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57. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
58. If at any general meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.
59. The Chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.
60. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
61. [Reserved]
62. [Reserved]
63. The result of the poll shall be deemed to be the resolution of the general meeting.
64. In the case of an equality of votes, the Chairman of the general meeting shall not be entitled to a second or casting vote.
65. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the general meeting directs and any business other than that upon which a poll has been demanded or is contingent thereon may be proceeded with pending the taking of the poll.

#### VOTES OF MEMBERS

66. Subject to these Articles (including but not limited to any rights or restrictions for the time being attached to any class or classes of shares (including the voting rights provided by Article 8(d)(ii))), on a poll, every Member of record present in person or by proxy shall have one (1) vote for each Ordinary Share held by such Member (on an as-converted basis).

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67. Immediately prior to the completion of a Qualified IPO of the Company,
- (a) except for the Ordinary Shares and Preferred Shares beneficially owned by Tencent and the Founder Vehicles, each fully paid Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class A Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by the other Members shall be designated as class A Ordinary Share, as the case may be. Each class A Ordinary Share shall be entitled to one (1) vote on all matters subject to the vote at general meetings of the Company;
  - (b) each fully paid Preferred Share held by Tencent shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class B Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by Tencent shall be designated as class B Ordinary Share, as the case may be. Each class B Ordinary Share shall be entitled to four (4) votes on all matters subject to the vote at general meetings of the Company; and
  - (c) each fully paid Preferred Share held by the Founder Vehicles shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class C Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by the Founder Vehicles shall be designated as class C Ordinary Share, as the case may be. Each class C Ordinary Share shall be entitled to eight (8) votes on all matters subject to the vote at general meetings of the Company.
68. In the case of joint holders of record the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.
69. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.
70. No Member shall be entitled to vote at any general meeting unless he is registered as a shareholder of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

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71. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.
  72. On a poll, votes may be given either personally or by proxy.

#### PROXIES

73. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorized in that behalf. A proxy need not be a Member of the Company.
74. The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting, or adjourned meeting PROVIDED THAT the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex, cable or telecopy confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.
75. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.
76. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.
77. Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.
78. Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

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## DIRECTORS

79. The Company shall have a Board of Directors consisting of not more than eleven (11) Directors, with the composition of the Board determined as follows: (a) each of Hillhouse NEV, Shunwei, and Energy (for as long as such Person continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) Director on the Board; (b) the Founder Vehicles (for as long as they continue to hold any Series A Preferred Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, three (3) Directors on the Board; (c) Temasek (for as long as it continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) Director on the Board; (d) Baidu Capital (for as long as it continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) Director on the Board; (e) Tencent (for so long as the number of the Preferred Shares (as converted or reclassified from time to time) held by Tencent does not fall below the Tencent Shareholding Threshold) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, two (2) Directors on the Board (each a “Tencent Director”) and, for the avoidance of doubt, for so long as Tencent holds any Preferred Shares (as converted or reclassified from time to time), Tencent shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) Tencent Director on the Board (the Directors referred to in (a), (b), (c), (d) and (e) above, each an “Investor Director,” and collectively, the “Investor Directors”), and (f) Prime Hubs (for as long as it continues to hold any shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) Director (the “Ordinary Director”) on the Board. Smart Group (for as long as it continues to hold any Series A Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) observer to the Board. Sequoia (for as long as it continues to hold any Series A Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) observer to the Board. Bluestone (for as long as it continues to hold any Series B Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) observer to the Board. IDG (for as long as it continues to hold any Series C Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) observer to the Board. WP (for as long as it continues to hold any Series C Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Member, one (1) observer to the Board. Each observer on the Board shall have the right to attend any Board meetings of the Company only on a non-voting capacity.



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The Investor Directors appointed by the Founder Vehicles shall collectively have four (4) votes on any matter submitted for approval of the Board ("Four Votes"), and among the Four Votes, Padmasree Warrior (as long as she holds any Series A-3 Preferred Shares and remains an Investor Director) (or any other Director appointed by the Founder Vehicles to replace Padmasree Warrior, in case Padmasree Warrior ceases to be an Investor Director) shall have one vote, and LI Bin (as long as he remains an Investor Director) shall have the remaining of the Four Votes, provided that if the Investor Directors appointed by the Founder Vehicles shall only have one vote, LI Bin shall have such one vote. Each other Director shall have one (1) vote on any matter submitted for approval of the Board.

80. Subject to these Articles (including Schedule A), the remuneration to be paid to the Directors shall be such remuneration as determined by the members of the compensation committee. Such remuneration shall be deemed to accrue from day to day. Subject to these Articles (including Schedule A), the Directors shall also be entitled to be paid their traveling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.
81. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

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82. A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
  83. A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.
  84. A shareholding qualification for Directors may be fixed by the Company in general meeting, but unless and until so fixed no qualification shall be required.
  85. A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
  86. No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid PROVIDED HOWEVER that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon.
  87. A general notice or disclosure to the Directors or otherwise contained in the minutes of a Meeting or a written resolution of the Directors or any committee thereof that a Director or alternate Director is a shareholder of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 85 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

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#### ALTERNATE DIRECTORS

88. A Director who expects to be unable to attend Directors' Meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor (including signing resolutions of the Directors passed in written form), other than appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

#### POWERS AND DUTIES OF DIRECTORS

89. The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed) who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not from time to time by the Statute or by these Articles or such regulations, being not inconsistent with the aforesaid, prescribed by the Company in general meeting required to be exercised by the Company in general meeting PROVIDED HOWEVER that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
90. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
91. All checks, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
92. The Directors shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors;

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(c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.

93. Subject to these Articles (including Schedule A), the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
94. Subject to these Articles (including Schedule B), the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### MANAGEMENT

95. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

#### PROCEEDINGS OF DIRECTORS

96. Except as otherwise provided by these Articles (including Schedule B), the Directors shall meet together for the dispatch of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting shall be decided in accordance with Schedule B, the vote of an alternate Director not being counted if his appointor be present at such meeting. In case of an equality of votes, the matter shall be determined in accordance with Schedule B.
97. Meetings of Directors shall be called in accordance with Schedule B, provided that, if notice is given in person, by cable, telex or telecopy the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organization as the case may be. The provisions of Article 51 shall apply mutatis mutandis with respect to notices of meetings of Directors.
98. The quorum necessary for the transaction of the business of the Directors shall be as stated in Schedule B. For the purposes of this Article 98, an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
99. Subject to these Articles (including Schedule B), the continuing Directors may act notwithstanding any vacancy in their body, PROVIDED THAT if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

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100. Subject to these Articles (including Schedule B), the Directors may elect a Chairman of their Board and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
  101. Subject to these Articles (including Schedule B), the Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors (including Alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Without limiting the foregoing, the Directors shall establish an Audit Committee and a Compensation Committee, as further described in Schedule B.
  102. Subject to these Articles (including Schedule B), a committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined (including in the case of a deadlock) in the same manner as provided in these Articles for meetings of the Board of Directors.
  103. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.
  104. Subject to these Articles (including Schedule B), members of the Board of Directors or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.
  105. (a) A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.

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- (b) The provisions of Articles 69-72 shall mutatis mutandis apply to the appointment of proxies by Directors.

#### VACATION OF OFFICE OF DIRECTOR

106. The office of a Director shall be vacated if he or she gives notice in writing to the Company that he or she resigns the office of Director, if he or she dies or if he or she is found a lunatic or becomes of unsound mind, or if he or she is removed by the Member or Members that originally appointed him or her pursuant to Article 79. Any vacancy on the Board occurring because of the death or resignation of a Director shall be filled by the vote or written consent of the Member or Members that originally entitled to appoint such Director pursuant to Article 79.

#### APPOINTMENT AND REMOVAL OF DIRECTORS

107. The Directors of the Company may only be appointed as provided in Article 79.
108. Subject to Article 79, any Director appointed pursuant to Article 79 may be removed from the Board only upon the vote or written consent of the Member or Members entitled to appoint such Director pursuant to Article 79. Any Member or Members entitled to appoint any individual to be elected as a Director on the Board shall have the exclusive right at any time or from time to time to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position.

#### PRESUMPTION OF ASSENT

109. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

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#### SEAL

110. The Company may, if the Directors so determine, have a Seal which shall, subject to Article 112 hereof, only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary- Treasurer or some person appointed by the Directors for the purpose.
111. The Company may have a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
112. A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

#### OFFICERS

113. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

#### DIVIDENDS, DISTRIBUTIONS AND RESERVE

114. Subject to the Statute and these Articles (including Schedule A), the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorize payment of the same out of the funds of the Company lawfully available therefor.
115. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.
116. No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the share premium account or as otherwise permitted by the Statute.
117. Subject to the rights of Persons, if any, entitled to shares with special rights as to dividends or distributions (including those set forth under Article 8(a)), if dividends or distributions are to be declared on a class of shares, they shall be declared and paid according to the amounts paid or credited as paid on each of the shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles.

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118. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
  119. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.
  120. Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by check or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such Person and to such address as such holder or joint holders may in writing direct. Every such check or warrant shall be made payable to the order of the Person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.
  121. No dividend or distribution shall bear interest against the Company.

#### CAPITALIZATION

122. Subject to these Articles (including Schedule A), the Company may upon the recommendation of the Directors by Ordinary Resolution authorize the Directors to capitalize any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorize any Person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.



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#### BOOKS OF ACCOUNT

123. The Directors shall cause proper books of account (including, where applicable, material underlying documentation including contracts and invoices) to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
124. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorized by the Directors or by the Company in general meeting or in accordance with these Articles (including Article 8(d) and Schedule A).
125. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

#### AUDIT

126. Subject to these Articles (including Article 8(d) and Schedule A), the Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.
127. Subject to these Articles (including Schedule B), the Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an Ordinary Resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. Subject to these Articles (including Schedule B), the Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.

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128. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
  129. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

#### NOTICES

130. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to him or to his address as shown in the register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent by airmail.
131. Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the Cayman Islands) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
132. A notice may be given by the Company to the Person or Persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the Persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

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133. Notice of every general meeting shall be given in any manner authorised by the Articles to every holder of shares carrying an entitlement to receive such notice on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members and every Person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other Person shall be entitled to receive notices of general meetings.

#### WINDING UP

134. Subject to these Articles (including Article 8(b) and Schedule A), if the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
135. Subject to these Articles (including Article 8(b) and Schedule A), if the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. Subject to these Articles (including Article 7(b), Article 8(b) and Schedule A), if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

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#### INDEMNITY

136. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own willful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other Persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such Director, Officer or trustee.

#### FINANCIAL YEAR

137. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

#### CORPORATE OPPORTUNITY

138. The Company renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “Excluded Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Company who is not an employee of any Group Company, or (ii) any holder of Preferred Shares or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of any Group Company (collectively, “Covered Persons”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Company.

#### AMENDMENTS OF ARTICLES

139. Subject to the Statute and these Articles (including Article 8(d) and Schedule A), the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

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TRANSFER BY WAY OF CONTINUATION

140. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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SCHEDULE A

Acts of the Group Companies Requiring

Approval of the Majority Preferred Holders

(I)

(i) any amendment or change of the rights, preferences, privileges, or powers of or concerning, or the limitations or restrictions provided for the benefit of, any Preferred Shares, or any amendment of the Charter Documents of the Company or any Material Group Subsidiary;

(ii) any action that authorizes, creates or issues any Ordinary Shares or Preferred Shares after the Initial Closing (other than: (1) the issuance of Series D Preferred Shares pursuant to the Purchase Agreement, (2) the issuance of Ordinary Shares upon conversion of the Preferred Shares, and (3) the issuance of Ordinary Shares (or options or warrants therefor) pursuant to the Stock Incentive Plans); any action that authorizes, creates or issues any class or series of Equity Securities having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, superior to or on a parity with any Preferred Shares, or any Equity Securities convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, superior to or on a parity with any series of Preferred Shares, and any action that reclassifies any outstanding shares into shares having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, senior to or on a parity with any series of Preferred Shares;

(iii) any approval of the liquidation, winding up, bankruptcy, dissolution of any Group Company or the commitment to any of the foregoing; any filing by or against any Group Company for the appointment of a receiver, administrator or other form of external manager of any Group Company;

(iv) any approval of the corporate reorganization, merger, consolidation, or split of any Group Company, any Trade Sale, or the commitment to any of the foregoing;

(v) any acquisition of a majority of the shares, voting power, business or assets of any other corporation or entity, or any investment in any other corporation or entity in excess of US\$30,000,000 (individually or in aggregate in a series of related transactions in any financial year);

(vi) any repurchase or redemption or cancellation of any Equity Securities of any Group Company (other than pursuant to: (1) the Series D Transaction Documents, (2) any repurchase right of the Company under the Stock Incentive Plans approved in accordance with these Articles and the Shareholders Agreement, (3) the Loan and Security Agreement, and (4) the offer letter dated November 23, 2015 for the engagement of Padmasree Warrior as chief development officer of the Company);

(vii) any increase, decrease or alteration of the authorized or issued share capital or registered capital of any Group Company (other than (1) the increase of capital of any Group Company using the proceeds from the issuance and sale of the Series D Preferred Shares in accordance with Section 8.3 of the Purchase Agreement, and (2) the increase of capital of any Group Company by another Group Company which holds 100% equity in the first Group Company), or any transfer of the Equity Securities of any Group Company (other than (1) the transfer of Equity Securities of the Company which complies with the Right of First Refusal & Co-Sale Agreement or the Stock Incentive Plans, (2) the equity restructuring of Beijing Libite Auto Technology Co., Ltd. as described under the Purchase Agreement, and (3) the transfer or disposal of Padmasree Warrior's shares pursuant to the Loan and Security Agreement);

(viii) any change of the size, composition or voting arrangement of the board of directors of any Group Company and the manner in which the directors of each Group Company are appointed, except in compliance with these Articles and the Shareholders Agreement;

(ix) (1) establishment of any Subsidiary other than a Subsidiary that is wholly owned, directly or indirectly, by NIO Inc., or divestiture or sale of an interest in a Subsidiary; or (2) restatement or amendment to, or termination of, the Control Documents between Shanghai Nextev and Shanghai NIO Technology Co., Ltd., or (3) execution of, restatement or amendment to, or termination of, any control documents between Shanghai Nextev and Beijing Libite Auto Technology Co., Ltd (or any other affiliate of the Company) which provide contractual control to Shanghai Nextev over Beijing Libite Auto Technology Co., Ltd. (or such affiliate of the Company) and allow Shanghai Nextev to consolidate the financial statements of Beijing Libite Auto Technology Co., Ltd (or such affiliate of the Company) (except for (A) the equity restructuring and the execution of control documents with respect to Beijing Libite Auto Technology Co., Ltd pursuant to Section 8.13 of the Purchase Agreement, and (B) any amendment and restatement to the control documents between Shanghai Nextev and Beijing Libite Auto Technology Co., Ltd. (or any other affiliate of the Company) or to the Control Documents between Shanghai Nextev and Shanghai NIO Technology Co., Ltd. solely resulted from the capital increase or equity transfer of Beijing Libite Auto Technology Co., Ltd. or Shanghai NIO Technology Co., Ltd. (or any other affiliate of the Company) (as the case may be) which has been approved in accordance with this Schedule A);

(x) any sale, transfer, assignment, license, mortgage or other disposition of, or the incurrence of any Lien on, a majority portion of the assets, properties, Intellectual Property, goodwill, Business of any Group Company in excess of US\$30,000,000 (individually or in aggregate in a series of related transactions in any financial year) (except for the transfer or license among Group Companies for management purpose or in the ordinary course of business);

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(xi) any transfer of Prime Hubs Shares (as defined in the Purchase Agreement) by any Prime Hubs Grantee (as defined in the Purchase Agreement) to a Person other than Prime Hubs or a Key Employee (as defined in the Purchase Agreement), officer, management personnel or director of the Group Companies (including the vehicle 100% owned by such Key Employee, officer or director); or

(xii) any direct or indirect transfer by Mr. LI Bin of any equity securities in any Group Company or any of the Founder Vehicle, except for (1) the transfer to the Persons described in Section 2.6(i) to (iii) of the Right of First Refusal & Co-Sale Agreement, (2) the transfer of any equity securities of Beijing Libite for the purposes of individual foreign exchange registration of the Prime Hubs Grantees (or any amendments thereto), and (3) subject to Section 2.1(vi) in the Right of First Refusal & Co-Sale Agreement, up to a separate and additional 1,500,000 Series A-1 Preferred Shares beneficially held by the Founder (directly or indirectly through the Founder Vehicles), provided that the third party transferee shall have executed a Deed of Adherence in the form attached to the Series D Transaction Documents, as applicable.

(II)

(i) any declaration, setting aside and/or payment of any dividends or other distributions on any securities of any Group Company, or the adoption of or any change to the dividend policy;

(ii) any initial public offering (including Qualified IPO) of any Group Company, including choice of the underwriters, the listing venue, timing, valuation and the security exchange for the initial public offering;

(iii) approval of issuance of any indenture, bond or note of any Group Company; or

(iv) the appointment of, or entering into agreements or arrangements with, a company other than a wholly owned PRC Subsidiary of the Company to serve as a distributor of any products manufactured by PRC Group Companies and/or any partner of the Group, including but not limited to Anhui Jianghuai Automobile Co., Ltd.

(III)

Notwithstanding anything hereinabove, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series B Preferred Shares:



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(i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series B Preferred Shares;

(ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series B Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series B Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or

(iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series B Preferred Shareholders relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series B Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series B Preferred Shareholders relative to the other classes of shares hereunder.

(IV)

Notwithstanding anything hereinabove, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series C Preferred Shares:

(i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series C Preferred Shares;

(ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series C Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series C Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or

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(iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series C Preferred Shareholders relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series C Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series C Preferred Shareholders relative to the other classes of shares hereunder.

(V)

Notwithstanding anything hereinabove, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series D Preferred Shares:

(i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series D Preferred Shares;

(ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series D Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series D Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or

(iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series D relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series D Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series D Preferred Shareholders relative to the other classes of shares hereunder.

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## SCHEDULE B

### Board

**1. Quorum.** The Board shall hold no less than one (1) board meeting during each fiscal quarter. A meeting of the Board shall only proceed where there are present (whether in person or by means of a conference telephone or any other equipment which allows all participants in the meeting to speak to and hear each other simultaneously) six (6) Directors of the Company then in office, and the foregoing number of Directors shall be the quorum requirements for meetings of the Board. Notwithstanding the foregoing, if notice of the Board meeting has been duly delivered to all Directors of the Board seven (7) days prior to the scheduled meeting in accordance with the notice procedures under these Articles, and the number of Directors required to be present under this Schedule B for such meeting to proceed is not present within one hour from the time appointed for the meeting because of the absence of any Director, the Directors present at the meeting shall adjourn the meeting to the third following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Directors one day prior to the adjourned meeting in accordance with the notice procedures under these Articles and, if at the adjourned meeting, the number of Directors required to be present under this Schedule B for such meeting to proceed is not present within one hour from the time appointed for the meeting because of the absence of any Director, then the presence of such Director(s), shall not be required at such adjourned meeting in order for the meeting to be quorate.

**2. Expenses.** The Company will promptly pay or reimburse each non-employee Board member and each non-employee Subsidiary Board (as defined in Shareholders Agreement) member for all reasonable out-of-pocket expenses incurred in connection with attending board or committee meetings and otherwise performing their duties as directors and committee members.

**3. Acts of the Group Companies Requiring Approval of Investor Directors.** In addition to such other limitations as may be provided in these Articles, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, and the Company shall not permit any other Group Company to take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by a majority of the votes of the directors of the Company, including the affirmative vote of (i) at least two Investor Directors appointed by the holders of Series A-1 Preferred Shares and (ii) at least four Investor Directors appointed by the holders of Preferred Shares other than the holders of Series A-1 Preferred Shares:

(i) any related party transaction or a series of related party transactions involving any Group Company on one hand, and any Ordinary Holders, director, officer or employee of the Group Company on the other hand, for which the aggregate value exceeds US\$3 million, except for the business cooperation with any of Tencent's Affiliates (including but not limited to the business cooperation with any of Tencent's Affiliates pursuant to Section 12.16 in Shareholders Agreement)

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(ii) the extension by any Group Company of any loan to any third party in excess of US\$3 million (individually or in the aggregate in a series of related loans in a fiscal year), or any guarantee for the indebtedness of any third party, except for the loans or the trade credit incurred in the ordinary course of business;

(iii) the incurrence of any loan of any Group Company involving an amount in excess of US\$5,000,000 from banks, financial institutions or any third party;

(iv) the commencement or carrying out of any business activities by Beijing Libite Auto Technology Co., Ltd. or Shanghai NIO Technology Co., Ltd. which will generate substantial revenues or cash flows; any material change to the business scope, or substance of the Business of any Group Company, the commencement or carrying out any new businesses of any Group Company other than the Business; or incurrence of any substantial expenses by Beijing Libite Auto Technology Co., Ltd. (except for the regular lease payment for its current leased office or regular office maintenance expenses) exceeding RMB1,000,000; any transfer of assets to Shanghai NIO Technology Co., Ltd. or Beijing Libite Auto Technology Co., Ltd.;

(v) approval or material amendment of the annual business plan or annual budget plan of any Group Company;

(vi) approval or amendment of Stock Incentive Plans of any Group Company, or any other incentive arrangements which may result in any employee, officer, director or advisor of the Group Companies directly hold any Equity Securities in the Company or other Group Company;

(vii) any material change in the accounting and financial policies of any Group Company unless such change is required by applicable Laws; or

(viii) engagement or change of the auditor of the Company.

**THE COMPANIES LAW (2018 REVISION)**  
**OF THE CAYMAN ISLANDS**  
**COMPANY LIMITED BY SHARES**  
**ELEVENTH AMENDED AND RESTATED**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**NIO INC.**

(Adopted by a Special Resolution passed on August 10, 2018 and effective conditional and immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

1. The name of the Company is NIO Inc.
2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.
7. The authorised share capital of the Company is US\$1,000,000 divided into 4,000,000,000 shares comprising of (i) 2,500,000,000 Class A Ordinary Shares of a par value of US\$0.00025 each, (ii) 132,030,222 Class B Ordinary Shares of a par value of US\$0.00025 each (iii) 148,500,000 Class C Ordinary Shares of a par value of US\$0.00025 each and (iv) 1,219,469,778 shares of a par value of US\$0.00025 each of such class or classes (however designated) as the board of directors may determine in accordance with Article 9 of the Articles. Subject to the Companies Law and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
8. The Company has the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
9. Capitalized terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

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**THE COMPANIES LAW (2018 REVISION)**  
**OF THE CAYMAN ISLANDS**  
**COMPANY LIMITED BY SHARES**  
**ELEVENTH AMENDED AND RESTATED**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**NIO INC.**

(Adopted by a Special Resolution passed on August 10, 2018 and effective conditional and immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

**TABLE A**

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

**INTERPRETATION**

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

<b>"ADS"</b>	means an American Depositary Share representing Class A Ordinary Shares;
<b>"Affiliate"</b>	means in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;
<b>"Articles"</b>	means these articles of association of the Company, as amended or substituted from time to time;
<b>"Board" and "Board of Directors" and "Directors"</b>	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
<b>"Chairman"</b>	means the chairman of the Board of Directors;

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<b>“Class” or “Classes”</b>	means any class or classes of Shares as may from time to time be issued by the Company;
<b>“Class A Ordinary Share”</b>	means a Class A Ordinary Share of a par value of US\$0.00025 in the capital of the Company, and having the rights, preferences, privileges and restrictions provided for in the Memorandum and these Articles;
<b>“Class B Ordinary Share”</b>	means a Class B Ordinary Share of a par value of US\$0.00025 in the capital of the Company, and having the rights, preferences, privileges and restrictions provided for in the Memorandum and these Articles;
<b>“Class C Ordinary Share”</b>	means a Class C Ordinary Share of a par value of US\$0.00025 in the capital of the Company, and having the rights, preferences, privileges and restrictions provided for in the Memorandum and these Articles;
<b>“Commission”</b>	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
<b>“Company”</b>	means NIO Inc., a Cayman Islands exempted company;
<b>“Companies Law”</b>	means the Companies Law (2018 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
<b>“Company’s Website”</b>	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
<b>“Designated Stock Exchange”</b>	means the stock exchange in the United States on which any Shares or ADSs are listed for trading;
<b>“Designated Stock Exchange Rules”</b>	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
<b>“electronic”</b>	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
<b>“electronic communication”</b>	means electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
<b>“Electronic Transactions Law”</b>	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
<b>“electronic record”</b>	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
<b>“Memorandum of Association”</b>	means the memorandum of association of the Company, as amended or substituted from time to time;
<b>“Ordinary Resolution”</b>	means a resolution: <ul style="list-style-type: none"> <li>(a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, or by means of telephone or similar communication equipment (by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting) at a general meeting of the Company held in accordance with these Articles; or</li> </ul>

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- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

<b>“Ordinary Share”</b>	means a Class A Ordinary Share or a Class B Ordinary Share or a Class C Ordinary Share;
<b>“paid up”</b>	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
<b>“Person”</b>	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
<b>“Register”</b>	means the register of Members of the Company maintained in accordance with the Companies Law;
<b>“Registered Office”</b>	means the registered office of the Company as required by the Companies Law;
<b>“Seal”</b>	means the common seal of the Company (if adopted) including any facsimile thereof;
<b>“Secretary”</b>	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
<b>“Securities Act”</b>	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
<b>“Share”</b>	means a share in the capital of the Company. All references to “Shares” herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression “Share” shall include a fraction of a Share;
<b>“Shareholder” or “Member”</b>	means a Person who is registered as the holder of one or more Shares in the Register;
<b>“Share Premium Account”</b>	means the share premium account established in accordance with these Articles and the Companies Law;
<b>“signed”</b>	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
<b>“Special Resolution”</b>	means a special resolution of the Company passed in accordance with the Companies Law, being a resolution:  (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, or by means of telephone or similar communication equipment (by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting) at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or



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- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

**“Treasury Share”**

means a Share held in the name of the Company as a treasury share in accordance with the Companies Law; and

**“United States”**

means the United States of America, its territories, its possessions and all areas subject to its jurisdiction.

2. In these Articles, save where the context requires otherwise:
- (a) words importing the singular number shall include the plural number and vice versa;
  - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
  - (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
  - (d) reference to a dollar or dollars (or US\$) and to a cent or cents is reference to dollars and cents of the United States of America;
  - (e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
  - (f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;
  - (g) reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;
  - (h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;
  - (i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law; and
  - (j) Sections 8 and 19(3) of the Electronic Transactions Law shall not apply.
3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

**PRELIMINARY**

4. The business of the Company may be conducted as the Directors see fit.

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5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
  6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
  7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

## SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:
  - (a) issue, allot and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;
  - (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and
  - (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.
9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 17, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:
  - (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
  - (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
  - (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

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- (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
  - (e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;
  - (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
  - (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;
  - (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;
  - (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
  - (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

- 10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.
- 11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

#### **CLASS A ORDINARY SHARES, CLASS B ORDINARY SHARES AND CLASS C ORDINARY SHARES**

- 12. Holders of Class A Ordinary Shares, Class B Ordinary Shares and Class C Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Each Class A Ordinary Share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of the Company, each Class B Ordinary Share shall entitle the holder thereof to four (4) votes on all matters subject to vote at general meetings of the Company, and each Class C Ordinary Share shall entitle the holder thereof to eight (8) votes on all matters subject to vote at general meetings of the Company.
- 13. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time at the option of the holder thereof. Each Class C Ordinary Share is convertible into one (1) Class A Ordinary Share at any time at the option of the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share and Class C Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares or Class C Ordinary Shares, respectively, into Class A Ordinary Shares. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares or Class C Ordinary Shares.

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14. Any conversion of Class B Ordinary Shares into Class A Ordinary Shares or Class C Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Ordinary Share as a Class A Ordinary Share or the re-designation of each relevant Class C Ordinary Share as a Class A Ordinary Share, as applicable. Such conversion shall become effective forthwith upon entries being made in the Register to record the re-designation of the relevant Class B Ordinary Shares or Class C Ordinary Shares as Class A Ordinary Shares, as applicable.
  15. Upon any sale, transfer, assignment or disposition of any Class B Ordinary Share or Class C Ordinary Share by a Shareholder to any person who is not an Affiliate of such Shareholder, or upon a change of ultimate beneficial ownership of any Class B Ordinary Share or Class C Ordinary Share to any Person who is not an Affiliate of the registered shareholder of such Share, each such Class B Ordinary Share and Class C Ordinary Share, as applicable, shall be automatically and immediately converted into one (1) Class A Ordinary Share. For the avoidance of doubt, (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in its Register; and (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any Class B Ordinary Shares or Class C Ordinary Shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding legal title to the relevant Class B Ordinary Shares or Class C Ordinary Shares, in which case all the related Class B Ordinary Shares or Class C Ordinary Shares, respectively, shall be automatically converted into an equal number of Class A Ordinary Shares. For purpose of this Article 15, beneficial ownership shall have the meaning set forth in Rule 13d-3 under the United States Securities Exchange Act of 1934, as amended.
  16. Save and except for voting rights and conversion rights as set out in Articles 12 to 16 (inclusive) and Article 76, the Class A Ordinary Shares, the Class B Ordinary Shares and Class C Ordinary Shares shall rank *pari passu* with one another and shall have the same rights, preferences, privileges and restrictions.

#### MODIFICATION OF RIGHTS

17. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of not less than two-thirds of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.
18. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

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## CERTIFICATES

19. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.
20. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
21. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US\$1.00) or such smaller sum as the Directors shall determine.
22. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
23. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

## FRACTIONAL SHARES

24. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

## LIEN

25. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.
26. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.
27. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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28. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

#### **CALLS ON SHARES**

29. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
30. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
31. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
32. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
33. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.
34. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

#### **FORFEITURE OF SHARES**

35. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
36. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.
37. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
38. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

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39. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.
40. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.
41. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.
42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **TRANSFER OF SHARES**

43. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
44. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.
- (b) The Directors may also decline to register any transfer of any Share unless:
- (i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (ii) the instrument of transfer is in respect of only one Class of Shares;
  - (iii) the instrument of transfer is properly stamped, if required;
  - (iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and
  - (v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.
45. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.
46. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three calendar months after the date on which the instrument of transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

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## TRANSMISSION OF SHARES

47. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.
48. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
49. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

## REGISTRATION OF EMPOWERING INSTRUMENTS

50. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

## ALTERATION OF SHARE CAPITAL

51. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.
52. The Company may by Ordinary Resolution:
  - (a) increase its share capital by new Shares of such amount as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
  - (c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
  - (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
53. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.



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## **REDEMPTION, PURCHASE AND SURRENDER OF SHARES**

54. Subject to the provisions of the Companies Law and these Articles, the Company may:
- (a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;
  - (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles; and
  - (c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.
55. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.
56. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.
57. The Directors may accept the surrender for no consideration of any fully paid Share.

## **TREASURY SHARES**

58. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
59. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

## **GENERAL MEETINGS**

60. All general meetings other than annual general meetings shall be called extraordinary general meetings.
61. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.
- (b) At these meetings the report of the Directors (if any) shall be presented.
62. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- (b) A Shareholders' requisition is a requisition of Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than one-third ( $\frac{1}{3}$ ) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.
- (c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

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- (d) If there are no Directors as at the date of the deposit of the Shareholders' requisition, or if the Directors do not within twenty-one calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one calendar days.
  - (e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

#### **NOTICE OF GENERAL MEETINGS**

- 63. At least ten (10) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
  - (a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting, by two-thirds (2/3rd) of the Shareholders having a right to attend and vote at the meeting, present in person or by proxy or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy.
- 64. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 65. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all Shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, or by means of telephone or similar communication equipment (by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting) shall be a quorum for all purposes.
- 66. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.
- 67. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
- 68. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.
- 69. If there is no such Chairman of the Board of Directors, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders present in person or by proxy or otherwise shall choose any Person present to be chairman of that meeting.

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70. The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
  71. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.
  72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands (or for shareholders attending by means of telephone or similar communication equipment, by verbal confirmation), unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any Shareholder present in person or by proxy, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands or otherwise, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
  73. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
  74. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
  75. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

#### **VOTES OF SHAREHOLDERS**

76. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall have one vote for each Class A Ordinary Share, four votes for each Class B Ordinary Share and eight votes for each Class C Ordinary Share of which he is the holder.
77. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
78. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.
79. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

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80. On a poll votes may be given either personally or by proxy.
81. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
82. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.
83. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:
- (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;
- provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.
84. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
85. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

86. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

#### **DEPOSITARY AND CLEARING HOUSES**

87. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

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## DIRECTORS

88. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.
- (b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
- (c) The Company may by Ordinary Resolution appoint any person to be a Director.
- (d) The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a vacancy on the Board arising from the office of any Director being vacated in any of the circumstances described in Article 109. In the event of a vacancy arising from the office of an independent director being vacated, the Board may only appoint another independent director to fill such vacancy.
- (e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.
89. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.
90. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.
91. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.
92. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.
93. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

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#### ALTERNATE DIRECTOR OR PROXY

94. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.
95. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

#### POWERS AND DUTIES OF DIRECTORS

96. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
97. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
98. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.
99. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
100. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "Attorney" or "Authorised Signatory", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

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101. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
  102. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.
  103. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
  104. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

#### **BORROWING POWERS OF DIRECTORS**

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### **THE SEAL**

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.
108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

#### **DISQUALIFICATION OF DIRECTORS**

109. The office of Director shall be vacated, if the Director:

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- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
  - (b) dies or is found to be or becomes of unsound mind;
  - (c) resigns his office by notice in writing to the Company;
  - (d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or
  - (e) is removed from office pursuant to any other provision of these Articles.

#### **PROCEEDINGS OF DIRECTORS**

- 110. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
- 111. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
- 112. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
- 113. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. A Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.
- 114. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
- 115. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.



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116. The Directors shall cause minutes to be made for the purpose of recording:
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
117. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
118. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.
119. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
120. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.
121. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
122. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

#### **PRESUMPTION OF ASSENT**

123. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

#### **DIVIDENDS**

124. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

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125. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
  126. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
  127. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.
  128. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
  129. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.
  130. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.
  131. No dividend shall bear interest against the Company.
  132. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

#### **ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION**

133. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
134. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
135. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
136. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

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137. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
  138. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
  139. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.
  140. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

#### **CAPITALISATION OF RESERVES**

141. Subject to the Companies Law, the Directors may:
  - (a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;
  - (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
    - (i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or
    - (ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;
  - (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;
  - (d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:
    - (i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or
    - (ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,and any such agreement made under this authority being effective and binding on all those Shareholders; and
  - (e) generally do all acts and things required to give effect to the resolution.

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142. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:
- (a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;
  - (b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or
  - (c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

#### **SHARE PREMIUM ACCOUNT**

143. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
144. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

#### **NOTICES**

145. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognized courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
146. Notices sent from one country to another shall be sent or forwarded by prepaid airmail or a recognized courier service.
147. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
148. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

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- (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
  - (c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
  - (d) electronic means, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

- 149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
- 150. Notice of every general meeting of the Company shall be given to:
  - (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
  - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

### **INFORMATION**

- 151. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.
- 152. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

### **INDEMNITY**

- 153. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the 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 the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
- 154. No Indemnified Person shall be liable:

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- (a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or
  - (b) for any loss on account of defect of title to any property of the Company; or
  - (c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
  - (d) for any loss incurred through any bank, broker or other similar Person; or
  - (e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or
  - (f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;
- unless the same shall happen through such Indemnified Person's own dishonesty, willful default, gross negligence or fraud.

#### **FINANCIAL YEAR**

155. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31<sup>st</sup> in each calendar year and shall begin on January 1<sup>st</sup> in each calendar year.

#### **NON-RECOGNITION OF TRUSTS**

156. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

#### **WINDING UP**

157. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.
158. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

#### **AMENDMENT OF ARTICLES OF ASSOCIATION**

159. Subject to the Companies Law, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

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#### **CLOSING OF REGISTER OR FIXING RECORD DATE**

160. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.
161. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.
162. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

#### **REGISTRATION BY WAY OF CONTINUATION**

163. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

#### **DISCLOSURE**

164. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

NIO INC.

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FIFTH AMENDED AND RESTATED  
SHAREHOLDERS' AGREEMENT

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### EXHIBIT

Exhibit A: Form of Deed of Adherence

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## FIFTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

**THIS FIFTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT** (this “Agreement”) is entered into on November 10, 2017, by and among:

- (1) **NIO INC.** (formerly known as **NEXTEV INC.**), an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (the “Company”);
- (2) **NIO NEXTEV LIMITED** (formerly known as **NEXTEV LIMITED**), a limited company duly incorporated and validly existing under the Laws of Hong Kong (the “HK Company”);
- (3) **XPT LIMITED**, a limited company duly incorporated and validly existing under the Laws of Hong Kong (the “XPT”);
- (4) **XPT TECHNOLOGY LIMITED**, a limited company duly incorporated and validly existing under the Laws of Hong Kong (the “XPT Technology”);
- (5) **XPT, INC.**, a company duly incorporated and validly existing under the Laws of the State of Delaware, the United States of America (the “XPT US”);
- (6) **NIO CO., LTD.** (formerly known as **NEXTEV CO., LTD.**) (上海蔚来汽车有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the Laws of the PRC (“Shanghai **Nextev**”);
- (7) **SHANGHAI XPT TECHNOLOGY CO., LTD.** (上海蔚兰动力科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the Laws of the PRC (the “Shanghai **Weilan**”);
- (8) **XPT (JIANGSU) INVESTMENT CO., LTD.** (formerly known as **XPT INVESTMENT CO., LTD.**) (蔚然 (江苏) 投资有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the Laws of the PRC (the “Jiangsu **Weiran**”);
- (9) **XPT (NANJING) E-POWERTRAIN TECHNOLOGY CO., LTD.** (蔚然 (南京) 动力科技有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“XPT **Nanjing Technology**”);
- (10) **XPT (NANJING) ENERGY STORAGE SYSTEM CO., LTD.** (蔚然 (南京) 储能技术有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“XPT **Nanjing Energy**”);
- (11) **NIO TECHNOLOGY CO., LTD.** (上海蔚来科技有限公司, formerly known as 上海赛睿迪新能源汽车有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“NIO **Technology**”);

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- (12) **NEXTEV USER ENTERPRISE LIMITED**, a limited company duly incorporated and validly existing under the Laws of Hong Kong (“Nextev User”);
- (13) **SHANGHAI NIO SALES AND SERVICE CO., LTD.** (formerly known as **SHANGHAI AUTO DISTRIBUTION SERVICE CO., LTD.**) (上海蔚来汽车销售服务有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“Shanghai Auto Distribution”);
- (14) **NEXTEV POWER EXPRESS LIMITED**, a limited company duly incorporated and validly existing under the Laws of Hong Kong (“Nextev Power”);
- (15) **NIO ENERGY INVESTMENT (HUBEI) CO., LTD.** (formerly known as **NEXTEV ENERGY INVESTMENT (HUBEI) CO., LTD.**) (蔚来能源投资(湖北)有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“Hubei Investment”);
- (16) **SHANGHAI NIO ENERGY TECHNOLOGY CO., LTD.** (formerly known as **SHANGHAI NEXTEV ENERGY TECHNOLOGY CO., LTD.**) (上海蔚来能源科技有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“Shanghai Energy”);
- (17) **WUHAN NIO ENERGY CO., LTD.** (formerly known as **WUHAN NEXTEV ENERGY CO., LTD.**) (武汉蔚来能源有限公司), a limited liability company duly incorporated and validly existing under the Laws of the PRC (“Wuhan Energy”);
- (18) **BEIJING LIBITE AUTO TECHNOLOGY CO., LTD.** (北京力比特汽车科技有限公司), a limited liability company incorporated under the Laws of the PRC (“Beijing Libite”);
- (19) **XTRONICS (NANJING) AUTOMATIVE INTELLIGENT TECHNOLOGY CO. LTD.** (蔚隆(南京)汽车智能科技有限公司), a limited liability company incorporated under the Laws of the PRC (“Nanjing Weilong”);
- (20) **NIO USA, INC.** (formerly known as **NEXTEV USA, INC.**), a company duly incorporated and validly existing under the Laws of the State of California, the United States of America (the “US Company”).
- (21) **NIO GMBH** (formerly known as **NEXTEV GMBH**), a limited liability company duly incorporated and validly existing under the Laws of Germany (the “German Company”);
- (22) **NIO NEXTEV (UK) LTD** (formerly known as **NEXTEV (UK) LIMITED**), a private company limited by shares duly incorporated and validly existing under the Laws of the United Kingdom (the “UK Company”);
- (23) **PRIME HUBS LIMITED**, a business company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands (“Prime Hubs”);

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- (24) **MR. LI BIN**, a citizen of the PRC whose identification number is 110108197406221836 (the “**Founder**”);
- (25) Each of the Persons listed in Part A1 of Schedule 1 (*List of Investors*) hereto (collectively, the “**Series A-1 Investors**” and each a “**Series A-1 Investor**”);
- (26) Each of the Persons listed in Part A2 of Schedule 1 (*List of Investors*) hereto (collectively, the “**Series A-2 Investors**” and each a “**Series A-2 Investor**”);
- (27) Each of the Persons listed in Part A3 of Schedule 1 (*List of Investors*) hereto (collectively, the “**Series A-3 Investors**” and each a “**Series A-3 Investor**”);
- (28) Each of the Persons listed in Part B of Schedule 1 (*List of Investors*) hereto (collectively, the “**Series B Investors**” and each a “**Series B Investor**”);
- (29) Each of the Persons listed in Part C of Schedule 1 (*List of Investors*) hereto (collectively, the “**Series C Investors**” and each a “**Series C Investor**”); and
- (30) Each of the Persons listed in Part D of Schedule 1 (*List of Investors*) hereto (together with any Additional Series D Investors participating in any applicable Additional Closings deemed as “Series D Investors” in accordance with Section 12.4, collectively, the “**Series D Investors**” and each a “**Series D Investor**”).

Each of the parties listed above shall be referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

Capitalized terms used herein without definition shall have the meanings set forth in the Purchase Agreement (as defined below).

#### RECITALS

- (A) **WHEREAS**, each of the Series D Investors has agreed to purchase from the Company, and the Company has agreed to sell to each Series D Investor, certain Series D Preferred Shares of the Company, on the term and conditions set forth in the Series D Preferred Share Purchase Agreement dated November 10, 2017 (as amended and restated and/or supplemented from time to time, the “**Purchase Agreement**”) by and among the Company, the HK Company, XPT, XPT Technology, Shanghai Nextev, XPT US, Shanghai Weilan, Jiangsu Weiran, XPT Nanjing Technology, XPT Nanjing Energy, Nanjing Weilong, NIO Technology, Nextev User, Shanghai Auto Distribution, Nextev Power, Hubei Investment, Shanghai Energy, Wuhan Energy, Beijing Libite, the US Company, the German Company, the UK Company, Prime Hubs, the Founder Vehicles and certain Series D Investors.
- (B) **WHEREAS**, the Purchase Agreement provide that it shall be a condition precedent to the consummation of the transactions contemplated under the Purchase Agreement that the Parties have entered into this Agreement.
- (C) **WHEREAS**, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

(D) **WHEREAS**, a Fourth Amended and Restated Shareholders' Agreement was entered into on March 21, 2017 by and among the Company, the HK Company, XPT, XPT Technology, Shanghai Nextev, Shanghai Weilan, Jiangsu Weiran, NIO Technology, Beijing Libite, the US Company, the German Company, the UK Company, Prime Hubs, the Founder, the Series A-1 Investors, the Series A-2 Investors, Series A-3 Investors, certain Series B Investors and certain Series C Investors (together with a Deed of Adherence dated May 31, 2017 by and between the Company and Blissful Days Holdings Limited, a Deed of Adherence dated May 31, 2017 by and between the Company and Bluefuture Fund L.P., a deed of adherence dated May 31, 2017 by and between the Company and Keen Eagle Capital Investment Limited, a Deed of Adherence dated April 24, 2017 by and between the Company and Champion Elite Global Limited, a Deed of Adherence dated July 6, 2017 by and between the Company and Tea Leaf Limited, a Deed of Adherence dated April 24, 2017 by and between the Company and China Investment Asset Management Limited, a Deed of Adherence dated May 31, 2017 by and between the Company and Guangfa Xinde Capital Management Limited, a Deed of Adherence dated April 24, 2017 by and between the Company and HF Holdings Limited, a Deed of Adherence dated April 24, 2017 by and between the Company and Ultimate Lenovo Limited, a Deed of Adherence dated May 31, 2017 by and between the Company and China Oceanwide International Asset Management Limited, a Deed of Adherence dated April 24, 2017 by and between the Company and Anderson Investments Pte. Ltd., a Deed of Adherence dated May 31, 2017 by and between the Company and UBS AG, London Branch, a Deed of Adherence dated April 24, 2017 by and between the Company and Cyber Tycoon Limited, and a Deed of Adherence dated April 24, 2017 by and between the Company and Honor Best International Limited, the "**Prior Shareholders Agreement**"). The Parties agree that as of the Initial Closing Date, this Agreement shall supersede the Prior Shareholders Agreement in its entirety, and the Prior Shareholders Agreement shall terminate and have no further force or effect.

#### **WITNESSETH**

**NOW, THEREFORE**, in consideration of the foregoing recitals, the mutual promises 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 hereto hereby agree as follows:

#### **1. DEFINITIONS**

1.1 The following terms shall have the meanings ascribed to them below:

"**Additional Closing**" and "**Additional Closing Date**" shall have the meaning ascribed to them in the Purchase Agreement.

"**Additional Series D Investor**" shall have the meaning ascribed to it in the Purchase Agreement.

**“Affiliate”** means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person (in the case of a Person being a natural person, the “Affiliate” shall include the immediate family members of such Person. For the purpose of this Agreement, “immediate family members” shall mean parents, mother-in-law or father-in-law, spouse, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, and children, and any other individual to whom the Person provides material support). In the case of an Investor, if applicable, the term “Affiliate” also includes (w) any shareholder of such Investor, (x) any of such shareholder’s or such Investor’s general partners, (y) the fund manager managing such shareholder or such Investor (and general partners and officers thereof) and other funds managed by such fund manager, and (z) trusts controlled by or for the benefit of any such Person referred to in (w), (x) or (y). Notwithstanding anything to the contrary in this Agreement and any other Series D Transaction Document, with respect to Sequoia or SCC, if applicable, the term “Affiliate” shall (x) only include a variety of entities within the Sequoia China Sector Group that are affiliated with Sequoia by ownership or operational relationship and engaged in a broad range of activities relating to investing and securities trading; and (y) shall not include any entity that is (i) outside of the Sequoia China Sector Group or (ii) primarily engaged in investment and trading in the secondary securities market; for purposes of the foregoing, the **“Sequoia China Sector Group”** means all Sequoia Capital entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC. Notwithstanding anything to the contrary in this Agreement and any other Series D Transaction Document, with respect to Temasek, if applicable, the term **“Affiliate”** shall only include (a) Temasek Holdings (Private) Limited (**“Temasek Holdings”**); and (b) Temasek Holdings’ direct and indirect wholly owned companies whose boards of directors or equivalent governing bodies comprise solely nominees or employees of (i) Temasek Holdings; (ii) Temasek Pte. Ltd. (being a wholly owned subsidiary of Temasek Holdings); and/or (iii) wholly owned direct and indirect subsidiaries of Temasek Pte. Ltd. Notwithstanding anything to the contrary in this Agreement and any other Series D Transaction Document, with respect to Tencent, if applicable, the term **“Affiliate”** shall only include (a) Tencent Holdings Limited (**“Tencent Holdings”**); and (b) any Person Controlled by Tencent Holdings. For the avoidance of doubt, any Investor and any holder of Preferred Shares shall not be deemed to be an Affiliate of any Group Company.

**“Applicable Securities Laws”** means (i) with respect to any offering of securities in the United States, or any related act or omission within that jurisdiction, the securities laws of the United States, including the Exchange Act and the Securities Act, and any applicable Law of any state of the United States, and (ii) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable Laws of that jurisdiction.

**“Benchmark Shares”** means, with respect to a holder of Preferred Shares, the number of Preferred Shares held by such holder of Preferred Shares as of the Initial Closing Date (as converted or reclassified from time to time in accordance with the Memorandum and Articles and this Agreement).

**“Board”** or **“Board of Directors”** means the board of directors of the Company.

**“Business”** means the business of the Group Companies, which is research and development, design, manufacturing, and sales of new energy automobiles (electric cars) and/or the components and accessory products related thereto, the provision of related services, the establishment and operation of charging networks, and other business as may be approved by the Board or the Shareholders of the Company in accordance with the Memorandum and Articles and this Agreement from time to time.

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“**Business Day**” means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, the PRC or Hong Kong.

“**Cause**” means, with respect to the Founder or any of the Key Employees, (i) such person’s failure, in the reasonable judgment of the Board, to substantially perform his or her assigned duties or responsibilities (other than a failure resulting from his or her disability) after written notice thereof from the Board describing the person’s failure to perform such duties or responsibilities (provided that such person (if he serves as a Director) and any director appointed by the Founder or his Affiliate (if the person with alleged Cause is the Founder) shall abstain from all voting in the Board meetings or resolutions solely in relation to the judgment of his or her own failure to perform his or her assigned duties or responsibilities); (ii) engaging in knowing and intentional illegal conduct that is or was injurious to any Group Company; (iii) violation of a PRC law, or a law or regulation of any other jurisdiction, which violation was or is reasonably likely to be injurious to any Group Company; (iv) material breach of any confidentiality agreement, invention assignment agreement or any other service or employment agreements between the person and the Company or its Affiliates; (v) being convicted of, or entering a plea of nolo contendere to, a felony or committing any act of moral turpitude, dishonesty or fraud against, or the misappropriation of material property belonging to, any Group Company; (vi) material failure to comply with written policies or rules of the Company or its Affiliates; or (vii) gross negligence or wilful misconduct detrimental to any Group Company’s interests.

“**CFC**” means a controlled foreign corporation as defined in the Code.

“**Charter Documents**” means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, certificate of formation, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity, as amended, supplemented or restated from time to time.

“**Closing**” shall have the meaning ascribed to it in the Purchase Agreement.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Commission**” means (i) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act, and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the offering or sale of securities in that jurisdiction.

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**“Competing Business”** means the business of design, manufacture and sale of electric automobiles (电动汽车).

**“Confidential Information”** means the terms and conditions of the Series D Transaction Documents, all exhibits and schedules attached thereto, and information relating to the negotiations therefor.

**“Consent”** means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.

**“Control”** of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms **“Controlled”** and **“Controlling”** have meanings correlative to the foregoing.

**“Conversion Price”** means the results by dividing the Initial Subscription Price Per Share by the then applicable conversion price per applicable Preferred Share.

**“Control Documents”** shall have the meaning ascribed to it in the Purchase Agreement.

**“Director”** means a director serving on the Board.

**“Director Indemnification Agreement”** shall mean the director indemnification agreement, the form of which is approved by the Board from time to time, which is entered into by the Company and each of the Investor Directors.

**“Deed of Adherence”** means the deed of adherence substantially in the form attached hereto as Exhibit A.

**“Equity Securities”** means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, note, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

**“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended.

**“Form F-3”** means Form F-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.



**“Form S-3”** means Form S-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

**“Founder Vehicles”** means, collectively, mobike Global (as defined in Schedule 1) and Originalwish (as defined in Schedule 1).

**“Governmental Authority”** means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

**“Governmental Order”** means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

**“Group Company”** means each of the Company and its Subsidiaries (including the HK Company, XPT, XPT Technology, XPT US, Shanghai Nextev, Shanghai Weilan, Jiangsu Weiran, XPT Nanjing Technology, XPT Nanjing Energy, Nanjing Weilong, NIO Technology, Nextev User, Shanghai Auto Distribution, Nextev Power, Hubei Investment, Shanghai Energy, Wuhan Energy Beijing Libite, US Company, German Company, UK Company, other Subsidiaries set out on Schedule III of the Purchase Agreement, and other Subsidiaries to be established from time to time), and **“Group”** or **“Group Companies”** refers to all of Group Companies collectively.

**“Holders”** means the holders of Registrable Securities who are parties to this Agreement from time to time, and their permitted transferees that become parties to this Agreement from time to time.

**“Hong Kong”** means the Hong Kong Special Administrative Region, the People’s Republic of China.

**“Initial Closing”** and **“Initial Closing Date”** shall have the meaning ascribed to them in the Purchase Agreement.

**“Initiating Holders”** means, with respect to a request duly made under Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) or Section 2.2 (*Registration on Form F-3 or Form S-3*) to Register any Registrable Securities, the Holders initiating such request.

**“Investors”** means collectively the Series A-1 Investors, Series A-2 Investors, Series A-3 Investors, Series B Investors, Series C Investors and Series D Investors, and **“Investor”** means each or any of them.

**“Investor Restrictive Investment Cutoff Date”** means (1) with respect to each of Hillhouse NEV Holdings Limited and Shunwei, March 18, 2017, (2) with respect to Tencent, May 6, 2017, (3) with respect to Smart Group, June 23, 2017, (4) with respect to each of Sequoia and Joy Capital, September 12, 2017, (5) with respect to Padmasree, March 10, 2018, (6) with respect to each Founder Vehicle, March 18, 2018, and (8) with respect to Energy, May 6, 2018.

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**“Investor Restrictive Investment Period”** means, with respect to each Series A Investor, the period of time until the Investor Restrictive Investment Cutoff Date applicable to such Series A Investor. For the avoidance of doubt, the Investor Restrictive Investment Period shall also be applicable to the Affiliates of such Series A Investor (of Investment Affiliates of such Investor in case of Hillhouse NEV Holdings Limited or Shunwei).

**“IPO”** means an initial public offering of Shares on an internationally recognized stock exchange.

**“Law” or “Laws”** means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

**“Lien”** means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, mortgage, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by contract, understanding, law, equity or otherwise.

**“Loan and Security Agreement”** means the Loan and Security Agreement dated March 10, 2016 by and between the Company and Padmasree, pursuant to which the Company provided a loan to Padmasree, and Padmasree pledged to the Company and granted to the Company a first-priority lien on 7,509,933 Series A-3 Preferred Shares held by Padmasree.

**“Majority Ordinary Holders”** means the holders of at least 75% of the voting power of the then outstanding Ordinary Shares.

**“Majority Preferred Holders”** means the holders of at least 75% of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis).

**“Material Group Subsidiaries”** means collectively HK Company, XPT, Nextev User, Nextev Power, the US Company, the German Company, NIO Technology, Shanghai Auto Distribution, Hubei Investment, Shanghai Weilan, Jiangsu Weiran and Shanghai Nextev.

**“Memorandum and Articles”** means the Tenth Amended and Restated Memorandum of Association of the Company and the Ninth Amended and Restated Articles of Association of the Company, adopted in accordance with applicable Law on or prior to the Initial Closing (as amended and restated from time to time in accordance with the articles thereto and the provisions of this Agreement), which shall be in the form and substance satisfactory to the Investors.

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**“Ordinary Holders”** means Prime Hubs and any Person who will directly or indirectly hold any Ordinary Shares of the Company (other than the Investors), and each an **“Ordinary Holder”**.

**“Ordinary Share Equivalents”** means any Equity Security which is by its terms convertible into or exchangeable or exercisable for Ordinary Shares or other share capital of the Company, including without limitation, the Preferred Shares.

**“Ordinary Shares”** means the Company’s ordinary shares, par value US\$0.00025 per share.

**“Person”** means any individual, natural person, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

**“PFIC”** means passive foreign investment company as defined in the Code.

**“PLN”** means a note instrument issued by UBS or its Affiliates on or about the date of this Agreement that transfers, or has the effect of transferring, to any Person, in whole or in part, all or any of the economic benefits, interests, risks or other consequences of ownership of the Series C Preferred Shares (or Ordinary Shares into which the Series C Preferred Shares convert), including any agreements in respect thereof, the form of which has been previously provided to the Company for its review.

**“PLN Beneficiary”** means an investor in or purchaser of (or bona fide prospective investor in or purchaser of) a PLN, including where such investor or purchaser invests in or purchases the PLN by way of PLN Transfer.

**PLN Transfer** means a transfer, assignment, novation, sale or other disposition (in all cases whether voluntary or involuntary, direct or indirect) of a PLN by a PLN Beneficiary to any other Person (whether in whole or in part).

**“PRC”** means the People’s Republic of China, but solely for the purposes of this Agreement, excluding Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan.

**“PRC Accounting Standards”** means the China Accounting Standards (CAS 2006) issued by the PRC Ministry of Finance on February 15, 2006, as supplemented by relevant rules and guidelines issued from time to time, and other applicable PRC accounting regulations.

**“Preferred Shares”** means, collectively, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series B Preferred Shares, the Series C Preferred shares and/or the Series D Preferred Shares.

**“Public Official”** means any executive, official, or employee of a Governmental Authority, political party or member of a political party, political candidate; executive, employee or officer of a public international organization; or director, officer or employee or agent of a wholly owned or partially state-owned or controlled enterprise, including a PRC state-owned or controlled enterprise.

**“Qualified IPO”** means a firm commitment underwritten registered initial public offering by the Company of its Ordinary Shares (or securities of the Company representing the Ordinary Shares) on Hong Kong Stock Exchange, Nasdaq, New York Stock Exchange or other internationally recognized stock exchange, as approved by the Majority Preferred Holders, pursuant to a registration statement (or any analogous document, if applicable) that is filed with and declared effective in accordance with the securities laws of relevant jurisdiction, at a public offering price (prior to customary underwriters’ commissions and expenses) that values the Company at least US\$6 billion on a fully diluted basis immediately prior to the completion of such offering, with gross proceeds to the Company in excess of US\$1 billion, or otherwise approved by the Majority Preferred Holders.

**“Registrable Securities”** means (i) the Ordinary Shares issued or issuable upon conversion of the Preferred Shares, (ii) any Ordinary Shares of the Company issued as a dividend or other distribution with respect to, in exchange for, or in replacement of, the shares referenced in (i) herein, and (iii) any Ordinary Shares owned or hereafter acquired by the Investors; excluding in all cases, however, any of the foregoing sold by a Person in a transaction other than an assignment pursuant to Section 13.4 (*Assignments and Transfers; No Third Party Beneficiaries*). For purposes of this Agreement, Registrable Securities shall cease to be Registrable Securities when such Registrable Securities have been disposed of pursuant to an effective Registration Statement.

**“Registration”** means a registration effected by preparing and filing a Registration Statement and the declaration or ordering of the effectiveness of that Registration Statement; and the terms **“Register”** and **“Registered”** have meanings concomitant with the foregoing.

**“Registration Statement”** means a registration statement prepared on Form F-1, F-3, S-1, or S-3 under the Securities Act (including, without limitation, Rule 415 under the Securities Act), or on any comparable form in connection with registration in a jurisdiction other than the United States.

**“Right of First Refusal & Co-Sale Agreement”** means the Fifth Amended and Restated Right of First Refusal & Co-Sale Agreement entered into by and among the Company, Prime Hubs, Founder, the Series A-1 Investors, the Series A-2 Investors, the Series A-3 Investors, the Series B Investors, the Series C Investors and the Series D Investors on or prior to the Initial Closing, as amended and restated from time to time.

**“RMB”** means the lawful currency of the PRC.

**“Securities Act”** means the United States Securities Act of 1933, as amended.

**“Series A Investors”** means collectively, the Series A-1 Investors, the Series A-2 Investors, and the Series A-3 Investors.

**“Series A-1 Preferred Shares”** means the series A-1 preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

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**“Series A-2 Preferred Shares”** means the series A-2 preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

**“Series A-3 Preferred Shares”** means the series A-3 preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

**“Series A Preferred Shares”** means collectively, the Series A-1 Preferred Shares, the Series A-2 Preferred Shares and/or the Series A-3 Preferred Shares.

**“Series B Preferred Shares”** means the series B preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

**“Series C Preferred Shares”** means the series C preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

**“Series D Preferred Shares”** means the series D preferred shares of the Company, par value US\$0.00025 per share, with the rights and privileges as set forth in this Agreement, the Memorandum and Articles, and the Right of First Refusal & Co-Sale Agreement.

**“Series D Transaction Documents”** has the meaning set forth in the Purchase Agreement.

**“Shareholders”** means the holders of the Ordinary Shares, the holders of the Series A Preferred Shares, the holders of the Series B Preferred Shares, the holders of the Series C Preferred Shares and the holders of the Series D Preferred Shares, and any Person who will hold any shares of the Company from time to time, and each a **“Shareholder.”**

**“Shares”** means the Ordinary Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and other outstanding shares in the capital of the Company.

**“Stock Incentive Plans”** means (i) the 2015 Stock Incentive Plan and the 2016 Stock Incentive Plan of the Company, which set forth the rules for the grant of stock options, restricted shares and other awards to the employees, directors and consultants of the Group Companies (both U.S. citizens or non-U.S. citizens), (ii) the 2015 Stock Incentive Plan U.S. CEO Subplan, which sets forth the rules for the grant of stock options, restricted shares and other awards to the chief executive officer of the US Company, and (iii) any other stock option plans or equity incentive plans as may be adopted by the Company in accordance with the Memorandum and Articles and this Agreement.

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“**Subsidiary**” means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

“**Tencent**” means, collectively, Image Frame, Mount Putuo, Morespark and any other Affiliate of Tencent, to the extent that it holds any Preferred Shares and/or Ordinary Shares.

“**Tencent Consortium**” means, collectively, Tencent and Hammer Capital.

“**Trade Sale**” means any the following events:

- (1) any consolidation, merger, amalgamation, or other business combination or corporate reorganization of the Company (and/or other Group Company(ies) collectively operating majority of the Business, collectively, the “**Major Group Companies**”) with or into any Person (collectively, the “**Restructuring Event**”), resulting in a change in ownership or control of the Company and/or the Major Group Companies in which the Shareholders holding securities with voting power in the Company and/or the Major Group Companies (as the case may be) immediately before such Restructuring Event own and control shares and securities representing less than fifty percent (50%) of the total combined voting power of the outstanding share capital of the surviving business entity immediately after such Restructuring Event, except that the Company’s ultimate shareholding structure immediately after such Restructuring Event is the same as that immediately before such Restructuring Event; or
- (2) a sale, transfer, exclusive license, lease or other disposition of all or substantially all of the assets (including Intellectual Property) of the Group Companies (or any series of related transactions resulting in such sale, transfer, exclusive license, lease or other disposition of all or substantially all of the assets of the Group Companies) except that such transferee, licensee or lessee’s ultimate shareholding structure immediately after such event is the same as that of the Company immediately before such event; or
- (3) a sale, transfer or other disposition of a majority of the issued and outstanding share capital or securities possessing more than fifty percent (50%) of the total combined voting power of the Company and/or of the Major Group Companies, except that such transferee’s ultimate shareholding structure immediately after such event is the same as that of the Company immediately before such event.

“**U.S.**” means the United States of America.

“**United States Person**” means United States person as defined in Section 7701(a)(30) of the Code.

“**US GAAP**” means U.S. generally accepted accounting principles.

“**Warrantor**” means Company, the HK Company, XPT, XPT Technology, XPT US, the US Company, the German Company, the UK Company, Shanghai Nextev, Shanghai Weilan, Jiangsu Weiran, XPT Nanjing Technology, XPT Nanjing Energy, Nanjing Weilong, NIO Technology, Nextev User, Shanghai Auto Distribution, Nextev Power, Hubei Investment, Shanghai Energy, Wuhan Energy, Beijing Libite, the Founder Vehicles and Prime Hubs, collectively, the “Warrantors.”

## 1.2 Other Defined Terms

The following terms shall have the meanings defined for such terms in the Sections set forth below:

Additional Number	Section 7.4 (ii)
Agreement	Preamble
Approved Sale	Section 11.1
Arbitration Notice	Section 13.6 (i)
Baidu Capital	Schedule I
Beijing Libite	Preamble
Bluestone	Schedule I
Bright Sky	Schedule I
ChinaEquity	Schedule I
Company	Preamble
Company Opportunity	Section 12.15 (iii)
Corporate Opportunity	Section 12.15 (iii)
Direct US Investor	Section 12.7 (iii)
Disclosing Party	Section 12.9 (iii)
Dispute	Section 13.6 (i)
Dissenting Member	Section 11.4
Energy	Schedule I
Exclusive Option Period	Section 7.6
Exempted Securities	Section 7.3
Exempt Registrations	Section 3.4
First Participation Notice	Section 7.4 (i)
Founder	Preamble
Four Vote	Section 9.1(i)
German Company	Preamble
Golden Brick	Schedule I
Grandfield	Schedule I
Haixia	Schedule I
Haitong	Schedule I
Hammer Capital	Schedule I
HK Company	Preamble
HKIAC	Section 13.6 (ii)
HKIAC Rules	Section 13.6 (ii)
Hillhouse	Schedule I
Honor Best	Schedule I
Hubei Investment	Preamble
IDG	Schedule I
Jiangsu Weiran	Preamble
Image Frame	Schedule I

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Indirect US Investor	Section 12.7 (iii)
Investor/ Investors	Preamble
Investor Directors	Section 9.1(i)
Investment Affiliates	Section 12.15
Joy Capital	Schedule I
Lenovo	Schedule I
Long Winner	Schedule I
Magic Stone	Schedule I
mobike Global	Schedule I
Mount Putuo	Schedule I
Morespark	Schedule I
Nanjing Weilong	Preamble
New Financing	Section 7.6
New Financing Notice	Section 7.6
New Margin Capital	Schedule I
New Securities	Section 7.3
Nextev User	Preamble
Nextev Power	Preamble
NIO Technology	Preamble
Ordinary Director	Section 9.1(i)
Orient Hontai	Schedule I
Offer Price	Section 11.1
Originalwish	Schedule I
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### 1.3 Interpretation

For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under the US GAAP, (iii) all references in this Agreement to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (v) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (vii) references to this Agreement, any other Series D Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (viii) the term “or” is not exclusive, (ix) the term “including” will be deemed to be followed by “, but not limited to,” (x) the terms “shall”, “will”, and “agrees” are mandatory, and the term “may” is permissive, (xi) the phrase “directly or indirectly” means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning, (xii) the expression “Investor” and “Investors” shall, unless the context prohibits, include its respective successors, permitted transferees and assigns and any Persons deriving title under it, (xiii) the term “voting power” refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Memorandum and Articles, (xiv) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xv) references to laws include any such law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, and (xvi) all references to dollars or to “US\$” are to currency of the U.S. and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

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## **2. DEMAND REGISTRATION**

### **2.1 Registration Other Than on Form F-3 or Form S-3**

Subject to the terms of this Agreement, at any time or from time to time after the earlier of (i) July 21, 2021, or (ii) expiry of one hundred eighty (180) days following the effective date of a registration statement for an IPO, Holders holding ten percent (10%) or more of the voting power of the then outstanding Registrable Securities held by all Holders are entitled to request in writing that the Company effect a Registration for any or all of Initiating Holder's Registrable Securities. Upon receipt of such a request, the Company shall (x) promptly give written notice of the proposed Registration to all other Holders and (y) as soon as practicable, use its reasonable best efforts to cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and/or qualified for sale and distribution in such jurisdiction as the Initiating Holders may request. The Company shall not be obligated to effect more than two (2) Registrations pursuant to this Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) hereof that have been declared and ordered effective; provided that if the sale of all of the Registrable Securities sought to be included pursuant to this Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) hereof is not consummated for any reason other than due to the action or inaction of the Holders including Registrable Securities in such Registration, such Registration shall not be deemed to constitute one of the Registration rights granted pursuant to Section 2.1 hereof.

### **2.2 Registration on Form F-3 or Form S-3**

The Company shall use its best efforts to qualify for registration on Form F-3 or Form S-3. Subject to the terms of this Agreement, if the Company qualifies for registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), any Holder is entitled to request the Company to file, in any jurisdiction in which the Company has had a registered underwritten public offering, unlimited number of Registration Statements on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), so long as such registration offerings are in excess of US\$5,000,000, including without limitation any registration statements filed under the Securities Act providing for the registration of, and the sale on a continuous or a delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the Commission. Upon receipt of such a request, the Company shall (i) promptly give written notice of the proposed Registration to all other Holders and (ii) as soon as practicable, cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and qualified for sale and distribution in such jurisdiction.

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### 2.3 Right of Deferral

- (i) The Company shall not be obligated to Register or qualify Registrable Securities pursuant to this Section 2:
  - (1) during the period starting with the date of filing by the Company of, and ending six (6) months following the effective date of any Registration Statement pertaining to Ordinary Shares of the Company other than an Exempt Registration; **provided that** the Holders are entitled to join such Registration in accordance with Section 3 (*Piggyback Registrations*);
  - (2) in any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration or qualification, unless the Company is already subject to service of process in such jurisdiction; or
  - (3) with respect to the registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), if Form F-3 is not available for such offering by the Holders.
- (ii) If, after receiving a request from Holders pursuant to Section 2.1(*Registration Other Than on Form F-3 or Form S-3*) or Section 2.2(*Registration on Form F-3 or Form S-3*) hereof, the Company furnishes to the Holders a certificate signed by the chief executive officer of the Company stating that, in the good faith judgment of the Board, it would be materially detrimental to the Company or its members for a Registration Statement to be filed in the near future, then the Company shall have the right to defer such filing for a period during which such filing would be materially detrimental, **provided that** the Company may not utilize this right (x) for a Registration under Section 2.1(*Registration Other Than on Form F-3 or Form S-3*) for more than ninety (90) days and (y) for a Registration under Section 2.2(*Registration on Form F-3 or Form S-3*) for more than sixty (60) days, on any one occasion or more than once during any twelve (12) month period; **provided further that** the Company may not Register any other of its Equity Securities during such period (except for Exempt Registrations).

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## 2.4 Underwritten Offerings

If, in connection with a request to Register Registrable Securities under Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) or Section 2.2 (*Registration on Form F-3 or Form S-3*), the Initiating Holders seek to distribute such Registrable Securities in an underwritten offering, they shall so advise the Company as a part of the request, and the Company shall include such information in the written notice to the other Holders described in Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) and Section 2.2 (*Registration on Form F-3 or Form S-3*). In such event, the right of any Holder to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such underwritten offering and the inclusion of such Holder's Registrable Securities in the underwritten offering (unless otherwise mutually agreed by the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwritten offering shall enter into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected for such underwritten offering by the Company and reasonably acceptable to the holders of a majority of the voting power of all Registrable Securities proposed to be included in such Registration. Notwithstanding any other provision of this Agreement, if the managing underwriter advises the Company that marketing factors (including without limitation the aggregate number of securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten in a Registration pursuant to Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) or Section 2.2 (*Registration on Form F-3 or Form S-3*), the underwriters may exclude up to seventy-five percent (75%) of the Registrable Securities requested to be Registered but only after first excluding all other Equity Securities from the Registration and underwritten offering, **provided that** the number of shares to be included in the Registration on behalf of the non-excluded Holders is allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included. If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from such underwritten offering shall be withdrawn from the Registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

## 3. PIGGYBACK REGISTRATIONS

### 3.1 Registration of the Company's Securities

Subject to the terms of this Agreement, if the Company proposes to Register for its own account any of its Equity Securities, or for the account of any holder (other than a Holder) of Equity Securities any of such holder's Equity Securities, in connection with the public offering of such securities (except for Exempt Registrations), the Company shall promptly give each Holder written notice of such Registration and, upon the written request of any Holder given within fifteen (15) days after delivery of such notice, the Company shall include in such Registration any Registrable Securities thereby requested to be Registered by such Holder. If a Holder decides not to include all or any of its Registrable Securities in such Registration by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Registration Statement or Registration Statements as may be filed by the Company, all upon the terms and conditions set forth herein.

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### 3.2 Right to Terminate Registration

The Company shall have the right to terminate or withdraw any Registration initiated by it under Section 3.1 prior to the effectiveness of such Registration, whether or not any Holder has elected to participate therein. The expenses of such withdrawn Registration shall be borne by the Company in accordance with Section 4.3.

### 3.3 Underwriting Requirements

- (i) In connection with any offering involving an underwriting of the Company's Equity Securities, the Company shall not be required to Register the Registrable Securities of a Holder under this Section 3 (*Piggyback Registrations*) unless such Holder's Registrable Securities are included in the underwritten offering and such Holder enters into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected by the Company and setting forth such terms for the underwritten offering as have been agreed upon between the Company and the underwriters. In the event the underwriters advise Holders seeking Registration of Registrable Securities pursuant to this Section 3 in writing that market factors (including the aggregate number of Registrable Securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten, the underwriters may exclude up to seventy-five percent (75%) of the Registrable Securities requested to be Registered but only after first excluding all other Equity Securities (except for securities sold for the account of the Company) from the Registration and underwriting, **provided that** the number of shares to be included in the Registration on behalf of the non-excluded Holders is allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.
- (ii) If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from the underwritten offering shall be withdrawn from the Registration.

### 3.4 Exempt Registrations

The Company shall have no obligation to Register any Registrable Securities under this Section 3 in connection with a Registration by the Company (i) relating solely to the sale of securities to participants in a share incentive plan of the Company, or (ii) relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act (or comparable provision under the Laws of another jurisdiction, as applicable) (collectively, "**Exempt Registrations**").

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#### 4. REGISTRATION PROCEDURES

##### 4.1 Registration Procedures and Obligations

Whenever required under this Agreement to effect the Registration of any Registrable Securities held by the Holders, the Company shall, as expeditiously as reasonably possible:

- (i) Prepare and file with the Commission a Registration Statement with respect to those Registrable Securities and use its reasonable best efforts to cause that Registration Statement to become effective, and, upon the request of the Holders holding a majority in voting power of the Registrable Securities Registered thereunder, keep the Registration Statement effective until the distribution thereunder has been completed;
- (ii) Prepare and file with the Commission amendments and supplements to that Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of Applicable Securities Laws with respect to the disposition of all securities covered by the Registration Statement;
- (iii) Furnish to the Holders the number of copies of a prospectus, including a preliminary prospectus, required by Applicable Securities Laws, and any other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;
- (iv) Use its reasonable best efforts to Register and qualify the securities covered by the Registration Statement under the securities Laws of any jurisdiction, as reasonably requested by the Holders, provided, that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdictions;
- (v) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in customary form, with the managing underwriter(s) of the offering;
- (vi) Promptly notify each Holder of Registrable Securities covered by the Registration Statement at any time when a prospectus relating thereto is required to be delivered under Applicable Securities Laws of (a) the issuance of any stop order by the Commission, or (b) the happening of any event or the existence of any condition as a result of which any prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or if in the opinion of counsel for the Company it is necessary to supplement or amend such prospectus to comply with law, and at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made or such prospectus, as supplemented or amended, shall comply with law;

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- (vii) Furnish, at the request of any Holder requesting Registration of Registrable Securities pursuant to this Agreement, on the date that such Registrable Securities are delivered for sale in connection with a Registration pursuant to this Agreement, (A) an opinion, dated the date of the sale, of the counsel representing the Company for the purposes of the Registration, in form and substance as is customarily given to underwriters in an underwritten public offering; and (B) comfort letters dated as of (x) the effective date of the registration statement covering such Registrable Securities, and (y) the closing date of the offering, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;
  - (viii) Otherwise comply with all applicable rules and regulations of the Commission to the extent applicable to the applicable registration statement and use its reasonable best efforts to make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than forty-five (45) days after the end of a twelve (12) month period (or ninety (90) days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of such registration statement, which statement shall cover such twelve (12) month period, subject to any proper and necessary extensions;
  - (ix) Not, without the written consent of the holders of at least two thirds of voting power of the then outstanding Registrable Securities, make any offer relating to the Securities that would constitute a "free writing prospectus," as defined in Rule 405 promulgated under the Securities Act;
  - (x) Provide a transfer agent and registrar for all Registrable Securities Registered pursuant to the Registration Statement and, where applicable, a number assigned by the Committee on Uniform Securities Identification Procedures for all those Registrable Securities, in each case not later than the effective date of the Registration; and
  - (xi) Take all reasonable action necessary to list the Registrable Securities on the primary exchange on which the Company's securities are then traded or, in connection with a Qualified IPO, the primary exchange on which the Company's securities will be traded.
  - (xii) Permit any Holder which, in such Holder's sole and exclusive judgment, might be deemed to be an underwriter or a "controlling person" (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) of the Company, to participate in the preparation of the Registration Statement, and to require the insertion therein of language, furnished to the Company in writing, which in the reasonable judgment of such Holder and its counsel should be included.

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#### 4.2 Information from Holder

It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2 (*Demand Registration*) and Section 3 (*Piggyback Registrations*) hereof with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the Registration of such Holder's Registrable Securities.

#### 4.3 Expenses of Registration

All expenses, other than the underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to this Agreement (which shall be borne by the Holders requesting Registration on a pro rata basis in proportion to their respective numbers of Registrable Securities sold in such Registration), incurred in connection with Registrations, filings or qualifications pursuant to this Agreement, including (without limitation) all Registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and fees and disbursement of counsels for the selling Holders, shall be borne by the Company. The Company shall not, however, be required to pay for any expenses of any Registration proceeding begun pursuant to Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) or Section 2.2 (*Registration on Form F-3 or Form S-3*) of this Agreement if the Registration request is subsequently withdrawn at the request of the Holders holding a majority of the voting power of the Registrable Securities requested to be Registered by all Holder in such Registration (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be thereby Registered in the withdrawn Registration) unless the Holders of at least two thirds ( $\frac{2}{3}$ ) of the voting power of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.1 (*Registration Other Than on Form F-3 or Form S-3*) (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (1) such demand registration); provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and the Company shall pay any and all such expenses.



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## 5. REGISTRATION-RELATED INDEMNIFICATION.

### 5.1 Company Indemnity

- (i) To the maximum extent permitted by Law, the Company will indemnify and hold harmless each Holder, such Holder's partners, officers, directors, shareholders, members, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under Laws which are applicable to the Company and relate to action or inaction required of the Company in connection with any Registration, qualification, or compliance, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each a "**Violation**"): (a) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement (unless Holder is actually aware of and consent to the making of such untrue statement or alleged untrue statement), on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (b) the omission or alleged omission to state in the Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any violation or alleged violation by the Company of Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws. The Company will reimburse, as incurred, each such Holder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

### 5.2 Holder Indemnity

- (i) To the maximum extent permitted by Law, each selling Holder that has included Registrable Securities in a Registration will, severally and not jointly, indemnify and hold harmless the Company, its directors and officers, any other Holder selling securities in connection with such Registration and each Person, if any, who controls (within the meaning of the Securities Act) the Company, such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs solely in reliance upon and in conformity with written information furnished by such Holder for use in connection with such Registration; and each such Holder will reimburse, as incurred, any Person intended to be indemnified pursuant to this Section 5.2 (*Holder Indemnity*), for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action. No Holder's liability under this Section 5.2 (*Holder Indemnity*) (when combined with any amounts paid by such Holder pursuant to Section 5.4 (*Contribution*)) shall exceed the net proceeds actually received by such Holder from the offering of securities made in connection with that Registration.

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- (ii) The indemnity contained in this Section 5.2 (*Holder Indemnity*) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld or delayed).
  - (iii) The indemnity contained in this Section 5.2 (*Holder Indemnity*) shall be in addition to any liability the selling Holder may otherwise have.

### 5.3 Notice of Indemnification Claim

Promptly after receipt by an indemnified party under Section 5.1 (*Company Indemnity*) or Section 5.2 (*Holder Indemnity*) of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 (*Company Indemnity*) or Section 5.2 (*Holder Indemnity*), deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the indemnifying parties. An indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonably incurred fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 5, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 5. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

### 5.4 Contribution

If any indemnification provided for in Section 5.1 (*Company Indemnity*) or Section 5.2 (*Holder Indemnity*) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case: (A) no Holder will be required to contribute any amount (after combined with any amounts paid by such Holder pursuant to Section 5.2 (*Holder Indemnity*)) in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

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**5.5 Underwriting Agreement**

To the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

**5.6 Survival**

The obligations of the Company and Holders under this Section 5 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, regardless of the expiration of any statutes of limitation or extensions of such statutes.

**6. ADDITIONAL REGISTRATION-RELATED UNDERTAKINGS**

**6.1 Reports under the Exchange Act**

With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any comparable provision of any Applicable Securities Laws that may at any time permit a Holder to sell securities of the Company to the public without Registration or pursuant to a Registration on Form F-3 or Form S-3 (or any comparable form in a jurisdiction other than the United States), the Company agrees to:

- (i) make and keep public information available, as those terms are understood and defined in Rule 144 (or comparable provision, if any, under Applicable Securities Laws in any jurisdiction where the Company's securities are listed), at all times following 90 days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public;
- (ii) file with the Commission in a timely manner all reports and other documents required of the Company under all Applicable Securities Laws; and

- (iii) at any time following ninety (90) days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public by the Company, promptly furnish to any Holder holding Registrable Securities, upon request (a) a written statement by the Company that it has complied with the reporting requirements of all Applicable Securities Laws at any time after it has become subject to such reporting requirements or, at any time after so qualified, that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's securities are listed), (b) a copy of the most recent annual or quarterly report of the Company and such other reports and documents as filed by the Company with the Commission, and (c) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission, that permits the selling of any such securities without Registration or pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's Securities are listed).

## 6.2 Limitations on Subsequent Registration Rights

From and after the date of this Agreement, the Company shall not, without the written consent of holders of at least at seventy-five percent (75%) of the voting power of the then outstanding Registrable Securities held by all Holders (calculated on an as-converted to Ordinary Share basis), enter into any agreement with any holder or prospective holder of any Equity Securities of the Company that would allow such holder or prospective holder (i) to include such Equity Securities in any Registration filed under Section 5.2 (*Demand Registration*) or Section 5.3 (*Piggyback Registrations*), (ii) to demand Registration of their Equity Securities, or (iii) cause the Company to include such Equity Securities in any Registration filed under Section 5.2 (*Demand Registration*) or Section 5.3 (*Piggyback Registrations*) hereof on a basis *pari passu* with or more favorable to such holder or prospective holder than is provided to the Holders of Registrable Securities.

## 6.3 "Market Stand-Off" Agreement

Each holder of Registrable Securities agrees, if so required by the managing underwriter(s) and to the extent necessary for a successful IPO, that it will not during the period commencing on the date of the final prospectus relating to the Company's IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days from the date of such final prospectus) (i) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Equity Securities of the Company owned at the time of the Qualified IPO (other than those included in such offering), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Equity Securities of the Company or such other securities, in cash or otherwise; **provided that** (w) the foregoing provisions of this Section 6.3 shall be subject to any exceptions that any Holder and the applicable underwriter may agree on, (x) the foregoing provisions of this Section 6.3 shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and to the extent permitted by the applicable Laws and the general requirements of the managing underwriter(s), shall not be applicable to any Holder unless all directors, officers and all other holders of at least one percent (1%) of the outstanding share capital of the Company (calculated on an as-converted to Ordinary Share basis) must be bound by restrictions at least as restrictive as those applicable to any such Holder pursuant to this Section 6.3, (y) to the extent permitted by the applicable Laws and the general requirements of the managing underwriter(s), this Section 6.3 shall not apply to a Holder to the extent that any other Person subject to substantially similar restrictions is released in whole or in part, and (z) the lockup agreements shall permit a Holder to transfer their Registrable Securities to their respective Affiliates so long as the transferees enter into the same lockup agreement. The underwriters in connection with the Company's IPO are intended third party beneficiaries of this Section 6.3 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. In order to enforce the foregoing covenant, the Company may place restrictive legends on the certificates and impose stop-transfer instructions with respect to the Registrable Securities of each shareholder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

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#### **6.4 IPO Participation Right**

Subject to applicable law and regulations, each Investor shall have the right to purchase or direct any of its Affiliates to purchase, at its option, at the final price per share (net of underwriting discounts and commissions) set forth in the Company's final prospectus with respect to an IPO, up to the number of the Ordinary Shares of the Company offered in the IPO that enables the Investor to maintain, in the aggregate, its percentage ownership interest in the Company immediately prior to the consummation of the IPO (calculated on a fully diluted and as converted basis).

#### **6.5 IPO Sale Right**

If any Equity Securities of the Company are offered in an underwritten public offering (whether or not a Qualified IPO) for the account of any shareholder of the Company, each Investor shall have the right to include a pro rata number of shares in the offering on terms and conditions no less favourable to such Investor than to any other selling shareholder(s), provided that the aggregate number of the Equity Securities of the Company to be offered by all the selling shareholders in an underwritten public offering shall not exceed 20% of the total number of the Equity Securities of the Company available for public subscription or placing under such underwritten public offering.

#### **6.6 Termination of Registration Rights**

The registration rights set forth in Section 2 (*Demand Registration*) or Section 3 (*Piggyback Registrations*) of this Agreement shall terminate on the earlier of (i) the date that is ten (10) years from the date of closing of a Qualified IPO (ii) with respect to any Holder, the date on which such Holder may sell without registration, all of such Holder's Registrable Securities under Rule 144 of the Securities Act in any ninety (90)-day period.

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#### 6.7 Exercise of Ordinary Share Equivalents

Notwithstanding anything to the contrary provided in this Agreement, the Company shall have no obligation to Register Registrable Securities which, if constituting Ordinary Share Equivalents, have not been exercised, converted or exchanged, as applicable, for Ordinary Shares as of the effective date of the applicable Registration Statement, but the Company shall cooperate and facilitate any such exercise, conversion or exchange as requested by the applicable Holder.

#### 6.8 Intent

The terms of Section 2 through 6 are drafted primarily in contemplation of an offering of securities in the U.S. The parties recognize, however, the possibility that securities may be qualified or registered for offering to the public in a jurisdiction other than the U.S. where registration rights have significance or that the Company might effect an offering in the U.S. in the form of American Depositary Receipts or American Depositary Shares. Accordingly:

- (i) it is their intention that, whenever this Agreement refers to a Law, form, process or institution of the U.S. but the parties wish to effectuate qualification or registration in a different jurisdiction where registration rights have significance, reference in this Agreement to the Laws or institutions of the United States shall be read as referring, *mutatis mutandis*, to the comparable Laws or institutions of the jurisdiction in question; and
- (ii) it is agreed that the Company will not undertake any listing of American Depositary Receipts, American Depositary Shares or any other security derivative of the Ordinary Shares unless arrangements have been made reasonably satisfactory to the Majority Preferred Holders (voting together as one class on an as-converted basis) to ensure that the spirit and intent of this Agreement will be realized and that the Company is committed to take such actions as are necessary such that the Holders will enjoy rights corresponding to the rights hereunder to sell their Registrable Securities in a public offering in the U.S. as if the Company had listed Ordinary Shares in lieu of such derivative securities.

#### 6.9 Assignment of Registration Rights

The registration rights of a Holder under Section 2 to 6 hereof may be assigned to any person acquiring Registrable Securities; provided that in either case no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 6.9.

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## 7. PREEMPTIVE RIGHT

### 7.1 General

The Company hereby grants to each holder of Preferred Shares (the “**Preemptive Rights Holder**”) the right of first refusal to purchase such Preemptive Rights Holder’s Pro Rata Share (as defined below) (and any oversubscription, as provided below), of all (or any part) of any New Securities (as defined below) that the Company may from time to time issue after the date of this Agreement (the “**Preemptive Right**”).

### 7.2 Pro Rata Share

A Preemptive Rights Holder’s “**Pro Rata Share**” for purposes of the Preemptive Rights is the ratio of (a) the number of Ordinary Shares (including Preferred Shares on an as-converted basis and any Ordinary Shares issued to or acquired by such Preemptive Rights Holder) held by such Preemptive Rights Holder, to (b) the total number of Ordinary Shares (including Preferred Shares on an as-converted basis and any Ordinary Shares issued to or acquired by all Preemptive Rights Holders) then held by all Preemptive Rights Holders immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

### 7.3 New Securities

For purposes hereof, “**New Securities**” shall mean any Equity Securities of the Company issued after the date hereof, except for the following Equity Securities (the “**Exempted Securities**”):

- (i) Ordinary Shares (and/or options or warrants therefore) (including any of such Shares which are repurchased) issued to officers, directors, employees and consultants of the Group Companies pursuant to the Stock Incentive Plans approved in accordance with the Memorandum and Articles and this Agreement;
- (ii) any Equity Securities issued pursuant to the Purchase Agreement and any Ordinary Shares issued upon the conversion of the Preferred Shares authorized under the Memorandum and Articles;
- (iii) any Equity Securities issued upon the exercise of any option of the Company issued prior to the Initial Closing;
- (iv) any Equity Securities issued pursuant to the transactions with strategic partners as approved by the Majority Preferred Holders and/or the Board in accordance with this Agreement and the Memorandum and Articles, and if such strategic partner is any of the Preferred Holders or any of their respective Affiliates, such Preferred Holder and the director(s) appointed by such Preferred Holder, as applicable, shall abstain from all voting in the general meetings, Board meetings or resolutions in relation to the transactions described under this Section 7.3(iv);

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- (v) any Equity Securities issued pursuant to transactions with financial institutions or lessors in connection with loans, credit arrangements, equipment financings or similar transactions, provided that such transactions have been approved by the Majority Preferred Holders and/or the Board (if applicable) in accordance with this Agreement and the Memorandum and Articles, and if such financial institution or lessor is any of the Preferred Holders or any of their respective Affiliates, such Preferred Holder and the director(s) appointed by such Preferred Holder, as applicable, shall abstain from all voting in the general meetings, Board meetings or resolutions in relation to the transactions described under this Section 7.3(v);
  - (vi) any Equity Securities issued in connection with any share split, share dividend, reclassification or other similar events in which all Preemptive Rights Holders are entitled to participate on a pro rata basis;
  - (vii) any Equity Securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or a series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, provided such acquisition has been approved by the Majority Preferred Holders and the Board in accordance with this Agreement and the Memorandum and Articles, and if such other corporation or entity is any of the Shareholders or its respective Affiliates, such Shareholder and the director(s) appointed by such Shareholder shall abstain from all voting in the general meetings, Board meetings or resolutions in relation to the issuance under this Section 7.3 (vii); and
  - (viii) any Equity Securities issued pursuant to a Qualified IPO.

#### 7.4 Procedures

- (i) **First Participation Notice**

Subject to the terms and provisions of Section 7.6 (*Next Round Financing*) hereof, in the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Preemptive Rights Holder written notice of its intention to issue New Securities (the “**First Participation Notice**”), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Preemptive Rights Holder shall have thirty (30) Business Days from the date of receipt of any such First Participation Notice to agree in writing to purchase up to such Preemptive Rights Holder’s Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice (the “**Preemptive Notice**”) to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Preemptive Rights Holder’s Pro Rata Share). If any Preemptive Rights Holder fails to so respond in writing within such thirty (30) Business Day period to purchase all or any part of such Preemptive Rights Holder’s Pro Rata Share of an offering of New Securities, then such Preemptive Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase, but shall not be deemed to forfeit any right with respect to any other issuance of New Securities.



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(ii) **Second Participation Notice; Oversubscription**

If any Preemptive Rights Holder fails or declines to exercise any portion of its Preemptive Rights in accordance with subsection (i) above, the Company shall promptly give notice (the “**Second Participation Notice**”) to other Preemptive Rights Holders who exercised in full their Preemptive Rights (the “**Oversubscription Participants**”) in accordance with subsection (i) above. Each Oversubscription Participant shall have ten (10) Business Days from the date of the Second Participation Notice (the “**Second Participation Period**”) to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the “**Additional Number**”). Such notice may be made by telephone if confirmed in writing within five (5) Business Days. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, each Oversubscription Participant will be cut back by the Company with respect to its oversubscription to such number of remaining New Securities equal to the lesser of (x) the Additional Number and (y) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction, the numerator of which is the number of Ordinary Shares (including Preferred Shares on an as-converted basis and any Ordinary Shares issued to or acquired by such Oversubscription Participant) held by such Oversubscription Participant and the denominator of which is the total number of Ordinary Shares (including Preferred Shares on an as-converted basis and any Ordinary Shares issued to or acquired by all Oversubscription Participants) held by all the Oversubscription Participants.

**7.5 Failure to Exercise**

Upon the expiration of the Second Participation Period, or in the event no Preemptive Rights Holder exercises the Preemptive Rights within thirty (30) Business Days following the issuance of the First Participation Notice, the Company shall have ninety (90) days thereafter to complete the sale of the New Securities described in the First Participation Notice with respect to which the Preemptive Rights hereunder were not exercised at the same or higher price and upon non-price terms not more favorable to the purchasers thereof than specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such ninety (90) days period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Preemptive Rights Holders pursuant to this Section 7.

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## 7.6 Next Round Financing

Without prejudice to any other terms and provisions of this Section 7, in the event that the Company proposes to solicit or initiate for sale of any New Securities of the Company for the purpose of next round of financing (the “**New Financing**”) to any Person after the date of this Agreement, the Company shall give each Investor the written notice of its intention to undertake the New Financing (the “**New Financing Notice**”). Upon receiving the New Financing Notice, the Investors and the Company shall discuss and determine all factors of such New Financing, including but not limited to the types of financing, the amount of investment, the price and other general terms. The Investors shall have an exclusive option for a period of four (4) weeks following receipt of the New Financing Notice (the “**Exclusive Option Period**”) to elect to purchase, or appoint their Affiliate(s) to purchase, collectively up to all of the New Securities offered for sale in the New Financing. In case and to the extent the Investors do not collectively exercise their exclusive option hereunder within the Exclusive Option Period to purchase up to all of the New Securities, the Company may proceed to solicit, initiate or participate in any discussion or negotiation with any third parties for the sale of the remaining New Securities offered for sale in the New Financing, provided that each Investor shall be entitled to exercise its rights under the Section 7.1 to 7.5 hereunder, anti-dilution adjustment and other rights and privileges under this Agreement and the Memorandum and Articles exercisable in connection with the New Financing.

## 8. INFORMATION AND INSPECTION RIGHTS

### 8.1 Delivery of Financial Statements

Each Warrantor shall, and shall cause each Group Company to, deliver to each holder of Preferred Shares, the following documents or reports:

- (i) within ninety (90) days after the end of each fiscal year, a consolidated financial statements of the Group Companies for such fiscal year, prepared in accordance with the US GAAP, audited and certified by an internationally reputable firm of independent certified public accountants;
- (ii) within forty-five (45) days after the end of each quarter, a consolidated unaudited financial statements of the Group Companies for such quarter, prepared in accordance with the US GAAP;
- (iii) within thirty (30) days after the end of each month, a consolidated unaudited financial statements of the Group Companies for such month, prepared in accordance with the US GAAP;
- (iv) at least sixty (60) days before the beginning of each fiscal year, an annual business plan and an annual budget of the Group Companies approved by the Board, setting forth including without limitation, the projected balance sheets, income statements and statements of cash flows for each quarter during such fiscal year of each Group Company;

- (v) copies of any documents and materials of the Group Companies submitted to any Shareholder by the Company whenever required by any holder of Preferred Shares; and
- (vi) as soon as practicable, any other information of the Group Companies reasonably requested by any such holder of Preferred Shares.

In the event that any Investor shall have any questions about the aforementioned financial information it received, such Investor shall be entitled to inspect the original financing documents, the financial system and operations of any Group Company.

## 8.2 Inspection Rights

Each Group Company covenants and agrees that each holder of Preferred Shares shall have the right to inspect the operation, facilities, properties, documents, records and books (including but not limited to the books of accounts) of each Group Company at any time during regular working hours with prior notice, the right to discuss the business, operation and conditions of a Group Company with any Group Company's directors, officers, employees, independent accounts, legal counsels, advisers and investment bankers. The Warrantors shall procure the Group Companies to permit and facilitate the inspection right of each holder of Preferred Shares hereunder.

## 9. CORPORATE GOVERNANCE

### 9.1 Board of Directors

- (i) The Company shall have, and the Parties hereto agree to cause the Company to have, a Board consisting of not more than eleven (11) authorized Directors, with the composition of the Board determined as follows: (a) each of Hillhouse NEV Holdings Limited, Shunwei, and Energy (for as long as such Person continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) Director on the Board; (b) the Founder Vehicles (for as long as they continue to hold any Series A Preferred Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, three (3) Directors on the Board; (c) Temasek (for as long as it continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) Director on the Board; (d) Baidu Capital (for as long as it continues to hold at least 50% of its Benchmark Shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) Director on the Board; (e) Tencent (for so long as it continues to hold at least no less than 46,000,000 Preferred Shares (as converted or reclassified from time to time), which number shall be adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification effected after the Initial Closing Date (the "**Tencent Shareholding Threshold**")) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, two (2) Directors on the Board (each a "**Tencent Director**") and, for the avoidance of doubt, for so long as Tencent holds any Preferred Shares (as converted or reclassified from time to time), Tencent shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) Tencent Director on the Board (the Directors referred to in (a), (b), (c), (d) and (e) above, each an "**Investor Director**," and collectively, the "**Investor Directors**"), and (f) Prime Hubs (for as long as it continues to hold any shares) shall be entitled to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) Director (the "**Ordinary Director**") on the Board. Smart Group (for as long as it continues to hold any Series A Preferred Shares in the Company) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to the Board. Sequoia (for as long as it continues to hold any Series A Preferred Shares in the Company) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to the Board. Bluestone (for as long as it continues to hold any Series B Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to the Board. IDG (for as long as it continues to hold any Series C Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to the Board. WP (for as long as it continues to hold any Series C Preferred Shares) shall have the right to appoint, remove and re-appoint at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to the Board. Each observer on the Board shall have the right to attend any Board meetings of the Company only on a non-voting capacity.

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Subject to the Series D Transaction Documents, the Investor Directors appointed by the Founder Vehicles shall collectively have four (4) votes on any matter submitted for approval of the Board (“**Four Votes**”), and among the Four Votes, Padmasree (as long as she holds any Series A-3 Preferred Shares and remains an Investor Director) (or any other Director appointed by the Founder Vehicles to replace Padmasree, in case Padmasree ceases to be an Investor Director) shall have one vote, and the Founder (as long as he remains an Investor Director) shall have the remaining of the Four Votes, provided that if the Investor Directors appointed by the Founder Vehicles shall only have one vote, the Founder shall have such one vote. Each of the other Directors of the Company shall have one (1) vote on any matter submitted for approval of the Board. The composition and voting arrangements of the board of directors of each of the Material Group Subsidiaries shall mirror the composition and the voting arrangements of the Board of the Company in accordance with Sections 5.6 and 8.17 of the Purchase Agreement.

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This Section 9.1(i) shall terminate immediately prior to the closing of an IPO of the Company. Immediately upon the IPO, the Board composition shall comply with the requirements of the applicable stock exchange, provided that the Founder Vehicles (acting as one Party) and Tencent (or their respective Affiliates) shall each be entitled to appoint at least one (1) director to the Board, and the management of the Company shall have an additional representative to serve on the Board.

- (ii) When and if requested by an Investor and subject to consent by the holders of at least 50% of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on as-converted basis), the board of directors of each or any of the other Group Companies (the “**Subsidiary Board**” and collectively, the “**Subsidiary Boards**”) shall, and the Ordinary Holders and the Company agree to cause each or any such Subsidiary Board to, be re-constructed so as to include the same number of director(s) that such Investor is entitled to appoint to the Company as provided in Section 9.1 (i) above, with the same voting arrangements as those of the Company’s Board. For the avoidance of doubt, in the event that one (1) director cannot have more than one (1) vote under the Laws of any jurisdiction, the Founder Vehicles shall have the right to appoint a total of four (4) directors (as long as the Investor Directors appointed by the Founder Vehicles are collectively entitled to Four Votes in the Board) to the board of the directors of the Group Companies established in such jurisdiction. Notwithstanding the foregoing, any Investor which has right to appoint one (1) observer to the Board shall have the right to appoint, remove and re-appoint, at any time or from time to time and without the need for any consent or resolution of any other Shareholder, one (1) observer to each or any Subsidiary Board, who shall have the right to attend any meetings of such Subsidiary Board on a non-voting capacity.

## 9.2 Director Voting Agreements

- (i) With respect to each election of Directors of the Board, each holder of voting securities of the Company shall vote at each meeting of Shareholders of the Company, or in lieu of any such meeting shall give such holder’s written consent with respect to, as the case may be, all of such holder’s voting securities of the Company as may be necessary (x) to keep the authorized size of the Board at eleven (11) Directors, (y) to cause the election or re-election as members of the Board, and during such period to continue in office, each of the individuals appointed pursuant to Section 9.1 (*Board of Directors*), and (z) against any nominees not appointed pursuant to Section 9.1 (*Board of Directors*).

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- (ii) Any Director appointed pursuant to Section 9.1 (*Board of Directors*) may be removed from the Board only upon the vote or written consent of the Person or group of Persons entitled to appoint such Director pursuant to Section 9.1 (*Board of Directors*), and the Parties agree not to seek, vote for or otherwise effect the removal of any such Director without such vote or written consent. Any Person or group of Persons entitled to appoint any individual to be elected as a Director on the Board shall have the exclusive right at any time or from time to time to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position, and each other Party agrees to cooperate with such Person or group of Persons in connection with the exercise of such right. Each holder of voting securities of the Company agrees to always vote such holder's respective voting securities of the Company (and given written consents in lieu thereof) in support of the foregoing.
  - (iii) The Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the election or appointment to each Subsidiary Board of the Investor Directors pursuant to Section 9.1 (*Board of Directors*). Upon a removal or replacement of the Investor Directors from the Board in accordance with Section 9.2 (ii) above, the Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the removal of such director from each Subsidiary Board.

### **9.3 Quorum**

The Board shall hold no less than one (1) board meeting during each fiscal quarter. A meeting of the Board shall only proceed where there are present (whether in person or by means of a conference telephone or any other equipment which allows all participants in the meeting to speak to and hear each other simultaneously) at least six (6) Directors of the Company then in office and the Parties shall cause the foregoing number of Directors to be the quorum requirements for meetings of the Board. The notice of the Board meeting shall be duly delivered to all Directors and observers seven (7) days prior to the scheduled meeting in accordance with the notice procedures under the Charter Documents of the Company. Notwithstanding the foregoing, if the aforementioned notice of the Board meeting has been duly delivered, and the number of Directors required to be present under this Section 9.3 for such meeting to proceed is not present within one hour from the time appointed for the meeting because of the absence of any Director, the Directors present at the meeting shall adjourn the meeting to the third following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Directors one day prior to the adjourned meeting in accordance with the notice procedures under the Charter Documents of the Company and, if at the adjourned meeting, the number of Directors required to be present under this Section 9.3 for such meeting to proceed is not present within one hour from the time appointed for the meeting because of the absence of any Director, then the presence of such number of Director(s), shall not be required at such adjourned meeting in order for the meeting to be quorate.

### **9.4 Expenses**

The Company will promptly pay or reimburse each non-employee Board member and each non-employee Subsidiary Board member and each observer for all reasonable out-of-pocket expenses incurred in connection with attending board or committee meetings and otherwise performing their duties as directors and committee members.

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**9.5 Alternates**

Subject to applicable Law, each Director shall be entitled to appoint an alternate to serve at any Board meeting, and such alternate shall be permitted to attend all Board meetings and vote on behalf of the director for whom he is serving as an alternate.

**9.6 Director Indemnification and Insurance**

To the maximum extent permitted by the Laws of the Cayman Islands, the Company shall indemnify and hold harmless the Investor Directors and shall comply with the terms of the Director Indemnification Agreements, and at the request of the Investor Directors who are not a party to the Director Indemnification Agreement, shall enter into a director indemnification agreement with the Investor Directors in similar form to the Director Indemnification Agreement. From and after the Initial Closing, the Company shall purchase and at all times thereafter, maintain customary directors' and officers' liability insurance for the Investor Directors, provided however that such directors' and officers' liability insurance shall be in form and substance satisfactory to the Investor Directors.

**10. PROTECTIVE PROVISIONS.**

**10.1 Acts of the Group Companies Requiring Approval of the Majority Preferred Holders**

Notwithstanding anything in this Agreement or in the Charter Documents of any Group Company, the Warrantors shall ensure that no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, and no Party shall permit any Group Company to take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by the Majority Preferred Holders, which shall include the approvals by Tencent for so long as the number of the Preferred Shares (as converted or reclassified from time to time) held by Tencent does not fall below the Tencent Shareholding Threshold and by the Founder Vehicles, provided that, where the applicable Law requires a special resolution to approve any of the acts specified below, in computing the majority when a poll is demanded for the purposes of passing such a special resolution at a meeting of Shareholders, the Majority Preferred Holders, which shall include the approvals by Tencent for so long as the number of the Preferred Shares (as converted or reclassified from time to time) held by Tencent does not fall below the Tencent Shareholding Threshold and by the Founder Vehicles, shall have the voting rights equal to all Shareholders who voted in favor of the special resolution plus one:

- (i) any amendment or change of the rights, preferences, privileges, or powers of or concerning, or the limitations or restrictions provided for the benefit of, any Preferred Shares, or any amendment of the Charter Documents of the Company or any Material Group Subsidiary;

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- (ii) any action that authorizes, creates or issues any Ordinary Shares or Preferred Shares after the Initial Closing (other than: (1) the issuance of Series D Preferred Shares pursuant to the Purchase Agreement, (2) the issuance of Ordinary Shares upon conversion of the Preferred Shares, and (3) the issuance of Ordinary Shares (or options or warrants therefor) pursuant to the Stock Incentive Plans); any action that authorizes, creates or issues any class or series of Equity Securities having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, superior to or on a parity with any Preferred Shares, or any Equity Securities convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, superior to or on a parity with any series of Preferred Shares, and any action that reclassifies any outstanding shares into shares having rights, preferences, privileges, powers, or limitations or restrictions provided for the benefits of the holders thereof, senior to or on a parity with any series of Preferred Shares;
  - (iii) any approval of the liquidation, winding up, bankruptcy, dissolution of any Group Company or the commitment to any of the foregoing; any filing by or against any Group Company for the appointment of a receiver, administrator or other form of external manager of any Group Company;
  - (iv) any approval of the corporate reorganization, merger, consolidation, or split of any Group Company, any Trade Sale, or the commitment to any of the foregoing;
  - (v) any acquisition of a majority of the shares, voting power, business or assets of any other corporation or entity, or any investment in any other corporation or entity in excess of US\$30,000,000 (individually or in aggregate in a series of related transactions in any financial year);
  - (vi) any repurchase or redemption or cancellation of any Equity Securities of any Group Company (other than pursuant to: (1) the Series D Transaction Documents, (2) any repurchase right of the Company under the Stock Incentive Plans approved in accordance with the Memorandum and Articles and this Agreement, (3) the Loan and Security Agreement, and (4) the offer letter dated November 23, 2015 for the engagement of Padmasree as chief development officer of the Company);
  - (vii) any increase, decrease or alteration of the authorized or issued share capital or registered capital of any Group Company (other than (1) the increase of capital of any Group Company using the proceeds from the issuance and sale of the Series D Preferred Shares in accordance with Section 8.3 of the Purchase Agreement, and (2) the increase of capital of any Group Company by another Group Company which holds 100% equity in the first Group Company), or any transfer of the Equity Securities of any Group Company (other than (1) the transfer of Equity Securities of the Company which complies with the Right of First Refusal & Co-Sale Agreement or the Stock Incentive Plans, (2) the equity restructuring of Beijing Libite as described under the Purchase Agreement, and (3) the transfer or disposal of Padmasree's shares pursuant to the Loan and Security Agreement);



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- (viii) any change of the size, composition or voting arrangement of the board of directors of any Group Company and the manner in which the directors of each Group Company are appointed, except in compliance with Section 9.1(i) above;
- (ix) (1) establishment of any Subsidiary other than a Subsidiary that is wholly owned, directly or indirectly, by NIO Inc., or divestiture or sale of an interest in a Subsidiary; or (2) restatement or amendment to, or termination of, the Control Documents between Shanghai Nextev and NIO Technology, or (3) execution of, restatement or amendment to, or termination of, any control documents between Shanghai Nextev and Beijing Libite (or any other affiliate of the Company) which provide contractual control to Shanghai Nextev over Beijing Libite (or such affiliate of the Company) and allow Shanghai Nextev to consolidate the financial statements of Beijing Libite (or such affiliate of the Company) (except for (A) the equity restructuring and the execution of control documents with respect to Beijing Libite pursuant to Section 8.13 of the Purchase Agreement, and (B) any amendment and restatement to the control documents between Shanghai Nextev and Beijing Libite (or any other affiliate of the Company) or to the Control Documents between Shanghai Nextev and NIO Technology solely resulted from the capital increase or equity transfer of Beijing Libite or NIO Technology (or any other affiliate of the Company) (as the case may be) which has been approved in accordance with this Section 10.1);
- (x) any sale, transfer, assignment, license, mortgage or other disposition of, or the incurrence of any Lien on, a majority portion of the assets, properties, Intellectual Property, goodwill, Business of any Group Company in excess of US\$30,000,000 (individually or in aggregate in a series of related transactions in any financial year) (except for the transfer or license among Group Companies for management purpose or in the ordinary course of business);
- (xi) any transfer of Prime Hubs Shares (as defined in the Purchase Agreement) by any Prime Hubs Grantee (as defined in the Purchase Agreement) to a Person other than Prime Hubs or a Key Employee, officer, management personnel or director of the Group Companies (including the vehicle 100% owned or controlled by such Key Employee, officer or director); or
- (xii) any direct or indirect transfer by the Founder of any Equity Securities in any Group Company or any of the Founder Vehicles, except for (1) the transfer to the Persons described in Section 2.6(i) to (iii) of the Right of First Refusal & Co-Sale Agreement, and (2) the transfer of any Equity Securities of Beijing Libite for the purposes of individual foreign exchange registration of the Prime Hubs Grantees (or any amendments thereto), and (3) subject to Section 2.1(vi) in the Right of First Refusal & Co-Sale Agreement, up to a separate and additional 1,500,000 Series A-1 Preferred Shares beneficially held by the Founder (directly or indirectly through the Founder Vehicles), provided that the third party transferee shall have executed a Deed of Adherence in the form attached hereto as Exhibit A.

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10.2 Notwithstanding anything in this Agreement or in the Charter Documents of any Group Company and without prejudicing the generality of the Section 10.1 above, the Warrantors shall ensure that no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, and no Party shall permit any Group Company to take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by the Majority Preferred Holders, provided that, where the applicable Law requires a special resolution to approve any of the acts specified below, in computing the majority when a poll is demanded for the purposes of passing such a special resolution at a meeting of Shareholders, the Majority Preferred Holders shall have the voting rights equal to all Shareholders who voted in favour of the special resolution plus one

- (i) any declaration, setting aside and/or payment of any dividends or other distributions on any securities of any Group Company, or the adoption of or any change to the dividend policy;
- (ii) any initial public offering (including Qualified IPO) of any Group Company, including choice of the underwriters, the listing venue, timing, valuation and the security exchange for the initial public offering;
- (iii) approval of issuance of any indenture, bond or note of any Group Company; or
- (iv) the appointment of, or entering into agreements or arrangements with, a company other than a wholly owned PRC Subsidiary of the Company to serve as a distributor of any products manufactured by PRC Group Companies and/or any partner of the Group, including but not limited to Anhui Jianghuai Automobile Co., Ltd.

10.3 Notwithstanding anything in this Agreement, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series B Preferred Shares:

- (i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series B Preferred Shares;
- (ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series B Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series B Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or

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- (iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series B Preferred Shareholders relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series B Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series B Preferred Shareholders relative to the other classes of shares hereunder.

10.4 Notwithstanding anything in this Agreement, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series C Preferred Shares:

- (i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series C Preferred Shares;
- (ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series C Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series C Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or
- (iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series C Preferred Shareholders relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series C Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series C Preferred Shareholders relative to the other classes of shares hereunder.

10.5 Notwithstanding anything in this Agreement, the following actions shall require the consent of the holders of at least seventy-five percent (75%) of the outstanding Series D Preferred Shares:

- (i) any change in any of the rights, preferences, privileges, or powers of, or restrictions provided for the benefit of, the Series D Preferred Shares;

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- (ii) creating or authorizing the creation of or issue of any Ordinary Shares or any other security convertible into or exercisable for Ordinary Shares, or any security (or any other security convertible into or exercisable for such securities), having rights, preferences or privileges senior to or on parity with any Series D Preferred Shares, or without consideration or (in the case of Ordinary Shares or securities convertible into or exercisable for Ordinary Shares) for a consideration per share less than the Series D Conversion Price immediately prior to such creation or issue (except for the issuance of Exempted Securities); or
  - (iii) any change to the capital structure of any Group Company which has the effect of diluting or reducing the effective shareholding of the Series D relative to the other classes of shares. For the avoidance of doubt, creation, authorization or issue of (x) any Exempted Securities or (y) any Equity Securities for an effective consideration per share more than the Series D Conversion Price immediately prior to such creation, authorization or issue shall not be considered having the effect of diluting or reducing the effective shareholding of the Series D Preferred Shareholders relative to the other classes of shares hereunder.

#### **10.6 Acts of the Group Companies Requiring Approval of Investor Directors**

In addition to such other limitations as may be provided in this Agreement, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and the Company shall not permit any other Group Company to take, permit to occur, approve, authorize, or agree or commit to do any of the following acts, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in advance in writing by a majority of the votes of the directors of the Company, including the affirmative vote of (a) at least two Investor Directors appointed by the Series A-1 Investors and (b) at least four Investor Directors appointed by the Investors other than the Series A-1 Investors:

- (i) any related party transaction or a series of related party transactions involving any Group Company on one hand, and any Ordinary Holders, director, officer or employee of the Group Company on the other hand, for which the aggregate value exceeds US\$3 million, except for the business cooperation with any of Tencent's Affiliates (including but not limited to the business cooperation with any of Tencent's Affiliates pursuant to Section 12.16 hereto);
- (ii) the extension by any Group Company of any loan to any third party in excess of US\$3 million (individually or in the aggregate in a series of related loans in a fiscal year), or any guarantee for the indebtedness of any third party, except for the loans or the trade credit incurred in the ordinary course of business;
- (iii) the incurrence of any loan of any Group Company involving an amount in excess of US\$5,000,000 from banks, financial institutions or any third party;
- (iv) the commencement or carrying out of any business activities by Beijing Libite or NIO Technology which will generate substantial revenues or cash flows; any material change to the business scope, or substance of the Business of any Group Company, the commencement or carrying out any new businesses of any Group Company other than the Business; or incurrence of any substantial expenses by Beijing Libite (except for the regular lease payment for its current leased office or regular office maintenance expenses) exceeding RMB1,000,000; any transfer of assets to NIO Technology or Beijing Libite;

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- (v) approval or material amendment of the annual business plan or annual budget plan of any Group Company;
  - (vi) approval or amendment of Stock Incentive Plans of any Group Company, or any other incentive arrangements which may result in any employee, officer, director or advisor of the Group Companies directly hold any Equity Securities in the Company or other Group Company;
  - (vii) any material change in the accounting and financial policies of any Group Company unless such change is required by applicable Laws; or
  - (viii) engagement or change of the auditor of the Company.

## 11. DRAG-ALONG RIGHTS.

### 11.1 Approved Sale

At any time after March 18, 2021, in the event that the holders of the Preferred Share receives a written bona fide offer for a Trade Sale from an unrelated person, which, for the purpose of this Section 11, means any third party which is not an Affiliate of any Group Company, or an Affiliate of the Founder or Mr. QIN Lihong, or an Affiliate of the Founder Vehicles, or any trust or other estate in which the Founder or Mr. QIN Lihong has a substantial beneficial interest, in which the implied valuation of the Company immediately prior to such offered Trade Sale is not less than US\$6,000,000,000 (the “**Offer Price**”), and if such offered Trade Sale is approved and agreed by the Majority Preferred Holders (as so approved and agreed, the “**Approved Sale**”), then upon the receipt of written notice from the Majority Preferred Holders and within thirty (30) days thereafter, the Company and each Shareholder of the Company shall vote for, consent to and raise no objection against, enter into any agreement in connection with, participate in, and if applicable, shall cause all other Shareholders of the Company to promptly consent to, enter into any agreement in connection with, and participate in, such Trade Sale.

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- 11.2 In the event that there are any Shareholders that do not participate in the Approved Sale within the period as provided in Section 11.1, the Company shall promptly notify such Shareholder of the Company (the “Remaining Members”) in writing of the Approved Sale and the material terms and conditions of such Approved Sale, whereupon each Remaining Member shall, in accordance with instructions received from the Company and as pre-approved by the Majority Preferred Holders, vote all of its voting securities of the Company in favor of, otherwise consent in writing to, and/or otherwise sell or transfer all of its Shares in such Approved Sale (including without limitation tendering original share certificates for transfer, signing and delivering share transfer certificates, share sale or exchange agreements, and certificates of indemnity relating to any Shares in the capital of the Company in the event that such Remaining Member has lost or misplaced the relevant share certificate) on the same terms and conditions as were agreed by the Majority Preferred Holders; provided, however, that such terms and conditions, including with respect to price paid or received per share, may differ as among the Ordinary Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and different series of preferred shares, in order to reflect the liquidation preferences and participation rights of the preferred shares set forth in the Memorandum and Articles (it being understood that proceeds of the Approved Sale shall be distributed among the Shareholders in accordance with Article 8(b) of the Memorandum and Articles). In furtherance of the foregoing, the Company is expressly hereby authorized by each Remaining Member to take any and all of the following actions on such Remaining Member’s behalf (without receipt of any further consent by such Remaining Member): (i) vote all of the voting securities of such Remaining Member in favor of any such Approved Sale; (ii) otherwise consent on such Remaining Member’s behalf to such Approved Sale; (iii) sell all of such Remaining Member’s shares in such Approved Sale, in accordance with the terms and conditions of this Section 11.2; and (iv) act as such Remaining Member’s attorney-in-fact in relation to any such Approved Sale and have the full authority to sign and deliver, on behalf of such Remaining Member, share transfer certificates, share sale or exchange agreements and certificates of indemnity relating to any shares in the capital of the Company in the event that such Remaining Member has lost or misplaced the relevant share certificate.
- 11.3 In furtherance of the foregoing, in the event an Approved Sale is to be brought to a vote at a general meeting, each Shareholder of the Company entitled to vote at such meeting agrees:
- (i) to be present, in person or by proxy, at all such meetings and be counted for the purposes of determining the presence of a quorum at such meetings and the presence of the number of votes necessary for the effectiveness of any shareholder resolutions;
  - (ii) to vote (in person, by proxy or by action by written consent, as applicable) all shares of the Company as to which it has record or beneficial ownership in favor of such Approved Sale and in opposition of any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Approved Sale;
  - (iii) to refrain from exercising any dissenters’ rights or rights of appraisal under applicable Laws at any time with respect to such Approved Sale; and
  - (iv) to execute and deliver all related documentation and take such other action in support of the Approved Sale as shall reasonably be requested by the Majority Preferred Holders.

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#### 11.4 Put Option

Without prejudice to the other provisions hereof, if any Shareholder of the Company (the “**Dissenting Member**”) refuses to vote in favor of the Approved Sale or participate in the Approved Sale in accordance with Section 11.1 (*Approved Sale*) through Section 11.3 (*Drag-along Provisions to Control*), then, so long as the Majority Preferred Holders give their written consent, each holder of the Preferred Shares voting in favor of the Approved Sale shall have the right to require the Dissenting Member to purchase in cash up to all of the Preferred Shares held by such holder at a price per Preferred Shares equal to the amount that a holder of a Preferred Shares would have received in respect of a Preferred Shares had the Company been sold for cash in the Approved Sale. The Dissenting Member shall also reimburse such holder of Preferred Shares for any and all reasonable fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of rights of such holder of a Preferred Shares under this Section 11.4. Within fifteen (15) days after a holder of Preferred Shares delivers a notice to the Dissenting Member exercising the option created hereby, such holder of Preferred Shares shall deliver to the Dissenting Member the certificate or certificates representing Preferred Shares to be sold under this Section 11.4 by such holder of Preferred Shares properly endorsed for transfer, if certificated, and the Dissenting Member shall pay immediately the aggregate purchase price therefor and the amount of reimbursable fees and expenses, in each case, as provided for under this Section 11.4, in cash or by other means acceptable to such holder of Preferred Shares.

#### 11.5 Drag-along Provisions to Control

For the avoidance of doubt, if and to the extent that there are inconsistencies between this Section 11 and any other provisions of this Agreement or the Right of First Refusal & Co-Sale Agreement, the terms of this Section 11 (*Drag-Along Rights*) shall prevail and control.

### 12. ADDITIONAL COVENANTS.

#### 12.1 Control of Subsidiaries

The Company shall institute and keep in place such arrangements such that the Company (i) will at all times control the operations of and maintain relevant beneficial interests in each other Group Company, and (ii) will at all times be permitted to properly consolidate the financial results for each other Group Company in the consolidated financial statements for the Company prepared under the US GAAP.

#### 12.2 Compliance with Laws

Each Warrantor shall cause the Group Companies to, conduct the Business in compliance in all material respects with all applicable Laws, and obtain, make and maintain in effect, all Consents from the relevant Governmental Authority or other Person required in respect of the due and proper establishment and operations of each Group Company in accordance with applicable Laws. Without limiting the generality of the foregoing, none of the Warrantors shall, and the Warrantors shall cause each Group Company not to, and the Parties shall ensure that its and their respective Subsidiaries and its respective officers, directors, and representatives shall not, directly or indirectly, (a) offer or give anything of value to any Public Official with the intent of obtaining any improper advantage, affecting or influencing any act or decision of any such Person, assisting any Group Company in obtaining or retaining business for, or with, or directing business to, any Person, or constituting a bribe, kickback or illegal or improper payment to assist any Group in obtaining or retaining business, (b) take any other action, in each case, in violation of the Foreign Corrupt Practices Act of the United States of America, as amended (as if it were a United States Person), or any other applicable similar anti-corruption, recordkeeping and internal controls Laws, or (c) establish or maintain any fund or assets in which any Group Company has proprietary rights that have not been recorded in its books and records of Group Company.

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### 12.3 Insurance

If requested by the Majority Preferred Holders, the Company shall promptly purchase and maintain, and shall cause its Subsidiaries to promptly purchase and maintain, in effect, insurance policies with respect to the Group Company's properties, employees, products, operations, liabilities, and/or business, each in the amounts not less than that are customarily obtained by companies engaging in research and development, design, manufacture, promotion and distribution of new energy automobiles (electric cars) in the PRC.

### 12.4 Future Holders of Shares

Except with the written consent of the Majority Preferred Holders, the Company covenants that it will cause all future holders of at least 1% of the Company's Shares, and all future holders of other Equity Securities convertible, exchangeable or exercisable into at least 1% of the Company's Shares upon such conversion, exchange or exercise, to join this Agreement and the Right of First Refusal & Co-Sale Agreement as a "Party," a "Shareholder" and, where applicable, as an "Ordinary Holder," or an "Investor" and a "Preferred Holder," either (i) by executing a Deed of Adherence in the form attached hereto as Exhibit A, without any amendment to this Agreement or the Right of First Refusal & Co-Sale Agreement, or (ii) by entering into an amended and restated Agreement in accordance with Section 13.12 and an amended and restated Right of First Refusal & Co-Sale Agreement in accordance with Section 4.10 thereof, as applicable, and each Shareholder shall cooperate with the Company in this regard. The Parties hereby agree that upon execution of a Deed of Adherence in the form attached hereto as Exhibit A by such holders with the Company, such holders may become parties to this Agreement and the Right of First Refusal & Co-Sale Agreement, and be entitled to all the applicable rights and privileges, and be bound by all the applicable duties and obligations, as provided under this Agreement and the Right of First Refusal & Co-Sale Agreement in relation to the Shares held by them. Further, immediately after each Additional Closing, Schedule I (*List of Investors*) to this Agreement will be amended to list the Additional Series D Investors participating in such Additional Closing, and subject to Section 13.2 (*Effectiveness and Termination*) hereof, each Additional Series D Investor participating in such Additional Closing shall be deemed as a "Series D Investor," a "Party" and a "Shareholder" hereunder.



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## 12.5 Internal Control System

The Warrantors shall, and shall cause each Group Company to, maintain the books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management, and accounting that meets international standards of good practice and is reasonably satisfactory to the Majority Preferred Holders to provide reasonable assurance that (i) transactions by it are executed in accordance with management's general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of financial statements in conformity with the respective PRC Accounting Standards or US GAAP and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management's general or specific authorization, (iv) the recorded accountability for assets of it is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences, (v) segregating duties for cash deposits, cash reconciliation and cash payment, and establishing proper approval procedures relating to cash management, and (vi) any personal assets or bank accounts of the employees, directors, officers are not mingled with the corporate assets or corporate bank account of any Group Company, and no Group Company uses any personal bank accounts of any employees, directors, officers thereof during the operation of its business.

## 12.6 No Avoidance; Voting Trust

Each Warrantor will not, and shall procure the Group Companies not to, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be performed hereunder by the Group Companies, and each Warrantor will at all times in good faith assist and take action as appropriate in the carrying out of all of the provisions of this Agreement. Except for the transactions contemplated by the Series D Transaction Documents, each Ordinary Holder agrees that it shall not enter into any other agreements or arrangements of any kind with respect to the voting of any Shares or deposit any Shares in a voting trust or other similar arrangement.

## 12.7 United States Tax Matters

- (i) None of the Warrantors will, and will procure the Group Companies not to, take any action inconsistent with its treatment of the Company as a corporation for U.S. federal income tax purposes or elect to be treated as an entity other than a corporation for U.S. federal income tax purposes
- (ii) The Company shall use, and shall cause each of its Subsidiaries to use, its best efforts to arrange its management and business activities in such a way that the Company and each of its Subsidiaries are not treated as residents for tax purposes, or is otherwise subject to income tax in, a jurisdiction other than the jurisdiction in which they have been organized.

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- (iii) The Company shall use its best effort to avoid future status of the Company or any of its Subsidiaries as a PFIC. Within forty-five (45) days from the end of each taxable year of the Company, the Company shall determine, in consultation with a reputable accounting firm, whether the Company or any of its Subsidiaries was a PFIC in such taxable year (including whether any exception to PFIC status may apply). If the Company determines that the Company or any of its Subsidiaries was a PFIC in such taxable year (or if a Government Authority or an Investor informs the Company that it has so determined), it shall, within sixty (60) days from the end of such taxable year, provide the following information to each holder of Preferred Shares that is a United States Person (“**Direct US Investor**”) and each United States Person that holds either direct or indirect interest in such holder (“**Indirect US Investor**”) (hereinafter, collectively referred to as a “**PFIC Shareholder**”): (i) all information reasonably available to the Company to permit such PFIC Shareholder to (a) accurately prepare its U.S. tax returns and comply with any other reporting requirements, if any, arising from its investment in the Company and relating to the Company or any of its Subsidiaries’ classification as a PFIC and (b) make any election (including, without limitation, a “qualified electing fund” election under Section 1295 of the Code), with respect to the Company (or any of its Subsidiaries); and (ii) a completed “**PFIC Annual Information Statement**” as described under Treasury Regulation Section 1.1295-1(g). The Company shall be required to provide the information described above to an Indirect US Investor only if the relevant holder of Preferred Share requests in writing that the Company provide such information to such Indirect US Investor and furnish the Company with written identifying information (such as name, address, and other identifying information) about the Indirect US Investor.
- (iv) Each of the Ordinary Holders represents that such Person is not a United States Person and such Person is not owned, wholly or in part, directly or indirectly, by any United States Person. Each of the Ordinary Holders shall provide prompt written notice to the Company of any subsequent change in its United States Person status. The Company shall use its best efforts to avoid future status of the Company or any of its Subsidiaries as a CFC. Upon written request of a holder of Preferred Shares from time to time, the Company will promptly provide in writing such information concerning its shareholders and the direct and indirect interest holders in each shareholder sufficient for such holder of Preferred Shares to determine whether the Company is a CFC. In the event that the Company does not have in its possession all the information necessary for the holder of Preferred Shares to make such determination, the Company shall promptly procure such information from its shareholders. The Company shall, (i) upon written request of a holder of Preferred Shares, furnish on a timely basis all information requested by such holder to satisfy its (or any Indirect US Investor’s) U.S. federal income tax return filing requirements, if any, arising from its investment in the Company and relating to the Company or any of its Subsidiaries’ classification as a CFC. The Company and each of its Subsidiaries shall use their commercially reasonable best efforts to avoid generating for any taxable year in which the Company or any of its Subsidiaries is a CFC, income that would be includible in the income of such holder of Preferred Shares (or any Indirect US Investor) pursuant to Section 951 of the Code.
- (v) The Company shall comply, and shall cause each of its Subsidiaries to comply, with all record-keeping, reporting, and other requests necessary for the Company and each of its Subsidiaries to comply with any applicable U.S. tax law or to allow each holder of Preferred Shares to avail itself of any provision of U.S. tax laws. The Company shall also provide each holder of Preferred Shares with any information requested by such holder of Preferred Shares to allow such holder of Preferred Shares to comply with U.S. tax laws or to avail itself of any provision of U.S. tax laws.

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- (vi) The cost incurred by the Company in providing the information that it is required to provide, or is required to cause to be provided, and the cost incurred by the Company in taking the action, or causing the action to be taken, as described in this Section shall be borne by the Company.

#### 12.8 Other Tax Matters

Each of the Warrantors agrees to jointly and severally indemnify each Investor from and against (i) any Taxes imposed on such Investor by any PRC Government Authority in connection with its investment in the Company, and (ii) any loss, claim, liability, expense, or other damage (including diminution in the value of the Company business or such Investor's investment in the Company) attributable to (a) any Taxes (or the non-payment thereof) of any Group Company for all taxable periods ending on or before the Initial Closing and the portion through the end of the Initial Closing for any taxable period that includes (but does not end on) the Initial Closing, (b) any Taxes of any other Person imposed by any Governmental Authority on any Group Company as a transferee, successor, withholding agent, accomplice, or party providing conveniences in connection with an event or transaction occurring before the Initial Closing, and (c) any breach of any representations, warranties or covenants contained in Section 12.7 (*United States Tax Matters*).

#### 12.9 Confidentiality

- (i) **Non-Disclosure of Confidential Information.** Except as set forth in Section 12.9(iii), each of the Parties shall (i) not use or disclose to any person that is not a Party any Confidential Information it has or acquires; (ii) make every effort to prevent the unauthorized use or disclosure of Confidential Information; and (iii) cause each of its Affiliates to comply with (i) and (ii) in this Section 12.9(i).
- (ii) **Press Releases.** No announcement regarding any of the Confidential Information (including the Investor's subscription of share interest of the Company) in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the prior written consent of the Majority Preferred Holders. Any press release issued by the Company shall not disclose any of the Confidential Information and the final form of such press release shall be approved in advance in writing by the Majority Preferred Holders (except for any press release made by Tencent in connection with the transaction as contemplated under the Series D Transaction Documents upon the Initial Closing).

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- (iii) **Permitted Disclosures.** Notwithstanding the foregoing, Section 12.9 (i) above shall not apply to (a) Confidential Information which a restricted party learns from a third party which such third party reasonably believes to have the right to make the disclosure, provided that the restricted party complies with any restrictions imposed by such third party; (b) Confidential Information which is rightfully in the restricted party's possession prior to the time of disclosure by the protected party and not acquired by the restricted party under a confidentiality obligation; (c) Confidential Information which enters the public domain without breach of confidentiality by the restricted party; (d) disclosures of Confidential Information by a Party to its current or bona fide prospective investors, Affiliates and their respective employees, directors, bankers, lenders, accountants, legal counsels, business partners or representatives or advisors who need to know such information, in each case only where such persons or entities are informed of the confidential nature of the Confidential Information and are under appropriate nondisclosure obligations substantially similar to those set forth in Section 12.9, (e) disclosures of Confidential Information to a bona fide purchaser or transferee of the Shares held by the Investors where such purchaser or transferee is informed of the confidential nature of the Confidential Information and are under appropriate nondisclosure obligations substantially similar to those set forth in Section 12.9, (f) disclosures of Confidential Information if such disclosure is approved in writing by the Company, the Majority Ordinary Holders and the Majority Preferred Holders, and (g) disclosures of Confidential Information to the extent required pursuant to applicable Law (including the applicable rules of any stock exchange), in which case the party required to make such disclosure (the "**Disclosing Party**") shall provide the other Parties hereto with prompt written notice of that fact, shall consult with the other Parties hereto regarding such disclosure, and shall, to the extent reasonably possible and with the cooperation and reasonable efforts of the other Parties, seek a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed.
- (iv) The provisions of Section 12.9 shall terminate and supersede the provisions of any separate nondisclosure agreement executed by any of the Parties hereto with respect to the transactions contemplated hereby, including without limitation, any term sheet, letter of intent, memorandum of understanding or other similar agreement entered into by any Group Company, the Ordinary Holders and the Investors in respect of the transactions contemplated hereby.

#### 12.10 No Use of Series D Investors' Name or Logo

Without the prior written consent of a Series D Investor, and whether or not such Series D Investor is then a shareholder of the Company, none of the Parties shall use, publish or reproduce the name, brand and/or logo of such Series D Investor, or any names, brands, trademarks or logos similar to those of such Series D Investor, or claim itself a partner of such Series D Investor or its Affiliates, or make any similar representations, in any discussion, documents or materials or otherwise, including without limitation for marketing, advertising, promotional or other purposes, where the names, brands and/or logos of each Series D Investor are as follows (unless stated elsewhere in Sections 12.11 (*No Use of Series C Investors' Name or Logo*), 12.12 (*No Use of Series B Investors' Name or Logo*), 12.13 (*No Use of Series A-3 Investors' Name or Logo*) or 12.14 (*No Use of Series A-2 Investors' Name or Logo*)): (1) with respect to Image Frame and Morespark, "Tencent" or "腾讯," (2) with respect to Hammer Capital, "Hammer" or "黑马资本," (3) with respect to Hubei Science & Technology Investment Group (Hong Kong) Co Ltd, "Hubei Science & Technology" or "湖北科技," (4) with respect to PV Vision Limited, "Primavera" or "春华," (5) with respect to Temasek, "Temasek," (6) with respect to Hillhouse, "Hillhouse," "Gaoling," "Lei Zhang," "张磊" or "高瓴" and (7) with respect to SCC, "Sequoia," "Sequoia Capital" or "红杉."

#### 12.11 No Use of Series C Investors' Name or Logo

Without the prior written consent of a Series C Investor, and whether or not such Series C Investor is then a shareholder of the Company, none of the Parties shall use, publish or reproduce the name, brand and/or logo of such Series C Investor, or any names, brands, trademarks or logos similar to those of such Series C Investor, or claim itself a partner of such Series C Investor or its Affiliates, or make any similar representations, in any discussion, documents or materials or otherwise, including without limitation for marketing, advertising, promotional or other purposes, where the names, brands and/or logos of each Series C Investor are as follows (unless stated elsewhere in Sections 12.10 (*No use of Series D Investors' Name or Logo*), 12.12 (*No Use of Series B Investors' Name or Logo*), 12.13 (*No Use of Series A-3 Investors' Name or Logo*) or 12.14 (*No Use of Series A-2 Investors' Name or Logo*)): (1) with respect to Baidu Capital, "Baidu" or "百度," and "Baidu Capital" or "百度资本," (2) with respect to West City, "Capital Today" or "今日资本," (3) with respect to WP, "Warburg Pincus" or "华平," (4) with respect to New Margin Capital, "聯創資本" or "New Margin Capital," (5) with respect to Image Frame, "Tencent" or "腾讯," (6) with respect to Total Prestige, "新天域资本" or "New Horizon Capital," (7) with respect to Zhide, "中金," "CICC," "中金公司," "中金资本" or "中金智德," (8) with respect to ChinaEquity, "信中利," and (9) with respect to UBS, "UBS" or "瑞银."

#### 12.12 No Use of Series B Investors' Name or Logo

Without the prior written consent of a Series B Investor, and whether or not such Series B Investor is then a shareholder of the Company, none of the Parties shall use, publish or reproduce the name, brand and/or logo of such Series B Investor, or any names, brands, trademarks or logos similar to those of such Series B Investor, or claim itself a partner of such Series B Investor or its Affiliates, or make any similar representations, in any discussion, documents or materials or otherwise, including without limitation for marketing, advertising, promotional or other purposes, where the names, brands and/or logos of each Series B Investor are as follows (unless stated elsewhere in Sections 12.10 (*No use of Series D Investors' Name or Logo*), 12.11 (*No Use of Series C Investors' Name or Logo*), 12.12 (*No Use of Series B Investors' Name or Logo*), 12.13 (*No Use of Series A-3 Investors' Name or Logo*) or 12.14 (*No Use of Series A-2 Investors' Name or Logo*)): (1) with respect to Temasek, "Temasek," (2) with respect to Bluestone, "Bluestone" or "厚朴," (3) with respect to TPG, "TPG," (4) with respect to Magic Stone, "Magic Stone," (5) with respect to Orient Hontai, "Orient Hontai," (6) with respect to Golden Brick, "Golden Brick," (7) with respect to Lenovo, "Lenovo," (8) with respect to SCC, "Sequoia," "Sequoia Capital" or "红杉," (9) with respect to Grandfield, "Redview" and "鸿为," (10) with respect to Palace, "蘭亭投资," (11) with respect to Bright Sky, "GIC," (12) with respect to Long Winner, "China Renaissance," and (13) with respect to Hillhouse, "Hillhouse," "Gaoling," "Lei Zhang," "张磊" or "高瓴."

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#### 12.13 No Use of Series A-3 Investors' Name or Logo

Without the prior written consent of Sequoia, and whether or not Sequoia is then a shareholder of the Company, none of the Parties shall use, publish or reproduce the name, brand and/or logo of "Sequoia," "Sequoia Capital" or "红杉," or any similar names, brands, trademarks or logos, or claim itself a partner of Sequoia or its Affiliates, or make any similar representations, in any discussion, documents or materials or otherwise, including without limitation for marketing, advertising, promotional or other purposes. Without the prior written consent of Joy Capital, and whether or not Joy Capital is then a shareholder of the Company, none of the Parties shall use, publish or reproduce the name, brand and/or logo of "Joy Capital," or any similar names, brands, trademarks or logos, or claim itself a partner of Joy Capital or its Affiliates, or make any similar representations, in any discussion, documents or materials or otherwise, including without limitation for marketing, advertising, promotional or other purposes.

#### 12.14 No Use of Series A-2 Investors' Name or Logo

Except for the permitted disclosures under Section 12.9 (Confidentiality) hereof, (1) without the prior written consent of Hillhouse, none of the Parties shall use, publish, reproduce, or refer to the name "Hillhouse," "Gaoling," "Lei Zhang," "张磊," "高瓴" or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes; (2) without the prior written consent of Shunwei, none of the Parties shall use, publish, reproduce, or refer to the name "Shunwei," "顺为," "Xiaomi," "小米," or the name of the general partner of Shunwei or Xiaomi, or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes; (3) without the prior written consent of Mount Putuo, none of the Parties shall use, publish, reproduce, or refer to the name "Tencent," "腾讯," or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes; (4) without the prior written consent of Smart Group, none of the Parties shall use, publish, reproduce, or refer to the name "Smart Group," "Jingdong," "JD," "京东," or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes.

#### 12.15 Corporate Opportunity

It is acknowledged and agreed by each of the Parties (for itself and on behalf of its Subsidiaries and Affiliates) that, notwithstanding the appointment of an Investor Director or observer by each of the Series A Investors, subject to all applicable Laws and securities regulations, each of the Series A Investors and its respective Affiliates (or in case of Hillhouse NEV Holdings Limited or Shunwei, its respective Investment Affiliates, where "**Investment Affiliates**" for the purpose of this Section 12.15 shall mean if applicable, any shareholder of Hillhouse NEV Holdings Limited or Shunwei (as the case may be), any fund managing company managing such shareholder or Hillhouse NEV Holdings Limited or Shunwei (as the case may be), and other funds managed by such fund managing company) shall forever be entitled to, directly or indirectly:

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- (i) acquire, transfer, enter into any derivative or similar transaction, or otherwise enter into a contract in respect of the Equity Securities of the Group Companies or any other Person;
- (ii) enter into any agreement, arrangement or understanding with, or otherwise acquire, hold or dispose of Equity Securities in, (1) any publically listed, traded or quoted company, regardless of whether such company carries out the Competing Business, and/or (2) with respect to a Series A Investor (regardless whether such Series A Investor concurrently holds any Series B Preferred Shares, any Series C Preferred Shares or any Series D Preferred Shares), only after the applicable Investor Restrictive Investment Cutoff Date of such Series A Investor, any private company which carries out the Competing Business. For the avoidance of doubt, regardless whether such Series A Investor concurrently holds any Series B Preferred Shares, any Series C Preferred Shares or any Series D Preferred Shares, (a) within the applicable Investor Restrictive Investment Period for each Series A Investor, such Series A Investor and its respective Affiliates (or in case of Hillhouse NEV Holdings Limited or Shunwei, its respective Investment Affiliates) shall not enter into any agreement, arrangement or understanding with, or otherwise acquire or hold Equity Securities in, any private company which carries out the Competing Business, (b) notwithstanding anything provided to the contrary herein, for purposes of this subsection (ii), Competing Business shall not include the business of (A) the design, manufacture or sale of any vehicles other than electric automobiles (电动汽车), (B) the design, manufacture or sale of the parts, components and accessory products for any vehicles (including new energy automobiles (electric cars)), (C) the provision of automobile-related services, (D) low-speed electric cars, and (E) charging networks, (c) upon prior written consent of the Founder Vehicles with respect to a particular private company which carries out the Competing Business, each of the Series A Investors and its respective Affiliates (or in case of Hillhouse NEV Holdings Limited or Shunwei, its respective Investment Affiliates) may enter into any agreement, arrangement or understanding with, or otherwise acquire or hold Equity Securities in, such private company which carries out the Competing Business within the applicable Investor Restrictive Investment Period, and (d) the restrictions under this Section 12.15 (ii) shall exclude any agreement, arrangement or understanding with, or any acquisition of or investment in any private company which carries out the Competing Business, (A) by any Series A Investor which has occurred prior to the closing of the purchase and sale of its respective Preferred Shares, and (B) by Tencent though the fund currently being formed by an Affiliate of Tencent and certain third parties, the name and basic information of which fund shall be disclosed to the Company upon its establishment.

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- (iii) refer a business or investment opportunity of any nature (the “**Corporate Opportunity**”) to any Person whatsoever (whether or not having any affiliation to the Group Companies), except for a Corporate Opportunity that is expressly directed to the Investor Director in his capacity as a Director of the Company (the “**Company Opportunity**”), provided that a Company Opportunity is referred to the Company on a first refusal basis, the Company acknowledges and agrees that such Investor Director shall not be in breach of any fiduciary duty or duty of confidentiality for referring a Corporate Opportunity to any person. Any Company Opportunity not pursued by the Company may be referred to any other Person by such Investor and such Investor Director.

**12.16 Business Cooperation with Tencent**

Each of the Warrantors jointly and severally undertakes to Tencent that, as long as Tencent holds any Preferred Shares in the Company, in the event any Group Company proposes to cooperate with any internet company (the “**Proposed Cooperation**”), such Group Company shall first notify Tencent of the scope and terms of the Proposed Cooperation in reasonable detail. Tencent shall have the right to request such Group Company to grant a cooperation opportunity covering substantially similar scope and terms to Tencent or an appropriate Affiliate of Tencent, and such Group Company shall grant such cooperation opportunity to Tencent or an appropriate Affiliate of Tencent, or cause any existing cooperation between any Group Company and Tencent (or an Affiliate of Tencent) to cover substantially similar scope and terms of the Proposed Cooperation, in each case on the terms and conditions no less favorable than those of the Proposed Cooperation (the “**Special Cooperation Right**”). The Warrantors further agree that in case Xiaomi Corporation or any of its Affiliates (other than Shunwei) becomes a holder of Preferred Shares of the Company, as long as Xiaomi Corporation or such Affiliate holds any Preferred Shares in the Company, the Warrantors shall, and shall cause the Group Companies to, grant Xiaomi Corporation or such Affiliate the Special Cooperation Right identical to the Special Cooperation Right granted to Tencent hereunder.

**12.17 Sole Distributor**

Wholly-owned PRC subsidiaries of the Company shall be the only distributors of any products manufactured by any PRC Group Company and/or any partner of the Group, including but not limited to Anhui Jianghuai Automobile Co., Ltd.

**12.18 Intellectual Property**

All Company Owned IP and Company Registered IP shall be owned by, licensed to, registered for and/or applied for in the name of any Group Company.



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## 12.19 Non-Compete

- (i) The Founder hereby undertakes and the Warrantors shall cause the Founder to undertake to the Company and the Investors that for a period as long as the Founder holds any position of chairman, director or management personnel in any Group Company, and at any time prior to the third anniversary from the date he ceases to hold such position in any Group Company (whichever is later), he will not, without the prior written consent of the holders of at least 75% of the voting power of the then outstanding Series A-2 Preferred Shares, Series A-3 Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares (voting together as a single class and calculated on as-converted basis) either on his own account or through any of his Affiliates or in conjunction with or on behalf of any other Person:
  - (1) Unless the employment of the Founder is terminated by any Group Company without Cause, carry on or be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent, advisor or otherwise carry on any business in direct competition with the primary business then operated by the Group Companies in the PRC and any other geographic territory in which the Group Companies then actively operate (except for the Founder's interest in 湖北蔚来长江新能源产业发展基金合伙企业（有限合伙）);
  - (2) Solicit or entice away or attempt to solicit or entice away from any Group Company, any Person who is or shall at any time within twelve (12) months prior to such solicitation have been a customer, client, representative or agent of such Group Company or in the habit of dealing with such Group Company; or
  - (3) Employ, solicit or entice away or attempt to employ, solicit or entice away from any Group Company, any person who is or shall have been at the date of or within twelve (12) months prior to such cessation an officer, manager, consultant or employee of any such Group Company whether or not such person would commit a breach of contract by reason of leaving such employment (other than pursuant to advertisements of general circulation).
- (ii) Each and every obligation under this Section 12.19 shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part, such part or parts which are unenforceable shall be deleted from such section and any such deletion shall not affect the enforceability of the remainder parts of such section.
- (iii) If any restrictions in this Section 12.19 shall be adjudged to be invalid or unenforceable as being in excess of what is reasonably required for the protection of the Group or the Investors, but would be valid if parts of this Section were deleted or the scope herein reduced, all restrictions in this Section shall apply with such modifications as may be necessary to make them legally valid and effective.

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The Warrantors shall cause each Key Employee of the Group Companies to comply with the non-compete agreement executed between such Key Employee and the relevant Group Company.

#### **12.20 Triple-Class Structure and Super Voting Rights**

The Company shall procure, and each Shareholder shall procure that, immediately prior to the closing of a Qualified IPO of the Company:

- (i) except for the Ordinary Shares and Preferred Shares beneficially owned by Tencent and the Founder Vehicles, each fully paid Preferred Share shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class A Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by the other Shareholders shall be designated as class A Ordinary Share, as the case may be. Each class A Ordinary Share shall be entitled to one (1) vote on all matters subject to the vote at general meetings of the Company;
- (ii) each fully paid Preferred Share held by Tencent shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class B Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by Tencent shall be designated as Class B Ordinary Share, as the case may be. Each class B Ordinary Share shall be entitled to four (4) votes on all matters subject to the vote at general meetings of the Company; and
- (iii) each fully paid Preferred Share held by the Founder Vehicles shall be converted into the number of fully paid and non-assessable Ordinary Share(s) to be designated as class C Ordinary Share(s) based on the applicable Preferred Share Conversion Price then in effect, and each fully paid and non-assessable Ordinary Share held by Founder Vehicles shall be designated as Class C Ordinary Share, as the case may be. Each class C Ordinary Share shall be entitled to eight (8) votes on all matters subject to the vote at general meetings of the Company.

#### **12.21 Stock Incentive Plan Arrangements**

Subject to Section 10 in this Agreement, the Company shall procure, and each Shareholder shall procure that:

- (i) immediately after the Initial Closing, the aggregate number of Ordinary Shares (and/or options or warrants therefore) reserved for issuance to officers, directors, employees and consultants of the Group Companies pursuant to the Stock Incentive Plans shall be increased by 23,000,000 Ordinary Shares; and
- (ii) as soon as practicable after the Initial Closing, a new Stock Incentive Plan shall be adopted, which shall be effective for a period of five (5) years starting from January 1 of the year following the completion of a Qualified IPO and shall include appropriate provisions to the effect that the maximum number of shares which may be issued pursuant to such Stock Incentive Plan shall be automatically increased each year by the number of shares representing 1.5% of the then total issued and outstanding share capital of the Company as of the end of each preceding year.

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### 13. MISCELLANEOUS

#### 13.1 UBS PLNs

- (i) Notwithstanding any provision of any Series D Transaction Document, each Party hereby acknowledges and agrees as follows:
- (1) UBS AG, London Branch (the “**UBS**”) or its Affiliates intends, and UBS or its Affiliates is permitted, to enter into PLNs;
  - (2) UBS shall procure that a PLN Beneficiary shall not enter into a PLN Transfer unless the prior written consent of the Company is obtained; provided that such prior written consent from the Company shall no longer be required after the end of the “market stand-off” period under Section 6.3 in this Agreement (such period not to exceed one hundred and eighty (180) days from the date of the final prospectus relating to the Company’s IPO);
  - (3) UBS undertakes to include in the documentation that it or its Affiliate enters into with a PLN Beneficiary, a restriction on PLN Beneficiaries transferring or having the effect of transferring, to any Person, in whole or in part, all or any of the economic benefits, interests, risks or other consequences of the relevant PLN without first obtaining the prior consent of UBS, and UBS undertakes not to provide such consent unless it receives the prior written consent of the Company; and
  - (4) UBS may disclose the Confidential Information (including for the avoidance of doubt, the documents, reports and information referred to in Section 8.1 in this Agreement) that UBS has obtained in its capacity as a Shareholder to a PLN Beneficiary, provided that (a) UBS shall have included in the documentation that it or its Affiliate enters into with a PLN Beneficiary the confidential nature of the Confidential Information and shall also have provided in such documentation that a PLN Beneficiary shall be bound by the nondisclosure obligations under the Series D Transaction Documents to the same extent as though the PLN Beneficiary were a party thereto and (b) UBS and/or the relevant PLN Beneficiary grants third party rights to the Company under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong and all applicable laws and regulations) to enforce against such PLN Beneficiary any breach of such nondisclosure obligations by such PLN Beneficiary.
- (ii) Without prejudice to the generality of Section 13.1(i) in this Agreement, notwithstanding any provision of any Series D Transaction Document, each Party hereby specifically acknowledges and agrees that the “market stand-off” restrictions under Section 6.3(ii) in this Agreement shall not apply to a PLN, provided, however, that for the avoidance of doubt, UBS, as a Shareholder of the Company, shall in all other respects be subject to the “market stand-off” restrictions under Section 6.3(ii) in this Agreement.

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- (iii) Without prejudice to the generality of Section 13.1(i) in this Agreement, notwithstanding any provision of any Series D Transaction Document, each Party hereby specifically acknowledges and agrees that, in respect of a PLN or proposed PLN (or a PLN Transfer or proposed PLN Transfer), (i) no PLN Beneficiary shall be required to execute a Deed of Adherence as result of Section 2.1(v) of the Right of First Refusal & Co-Sale Agreement and (ii) the rights of first refusal under Section 2.2 of the Right of First Refusal & Co-Sale Agreement and the right of co-sale under Section 2.3 of the Right of First Refusal & Co-Sale Agreement shall not apply, provided, however, that for the avoidance of doubt, UBS, as a Shareholder of the Company, shall in all other respects be subject to the rights of first refusal under Section 2.2 of the Right of First Refusal & Co-Sale Agreement and the right of co-sale under Section 2.3 of the Right of First Refusal & Co-Sale Agreement.

### 13.2 Effectiveness and Termination

- (i) This Agreement shall take effect as of the Initial Closing Date with respect to all the Parties which have duly executed this Agreement as of the Initial Closing, and shall take effect as of the applicable Additional Closing Date with respect to any Additional Series D Investor which has duly executed the Deed of Adherence with the Company as of an Additional Closings, provided however that (1) in the event that any Series D Investor (including any Additional Series D Investor) fails to pay any portion of its Series D Investment Amount (as defined in the Purchase Agreement or as specified in the applicable Deed of Adherence, as the case may be) in full upon the applicable Closing and the Company has amended the register of members in accordance with Sections 2.4(i)(d) or 2.4(ii)(e) of the Purchase Agreement and/or the Memorandum and Articles to reflect the forfeiture of the Series D Preferred Shares of such Series D Investor corresponding to the unpaid Series D Investment Amount, then this Agreement shall have effect with respect to such Series D Investor only to the extent of its unforfeited Series D Preferred Shares, and (2) in the event that any Shareholder ceases to be a Shareholder of the Company, it shall no longer be bound by the provisions of this Agreement and such Shareholder's name shall be removed from any list or register of members of the Company, provided that Sections 12.9 (*Confidentiality*), 12.10 (*No use of Series D Investors' Name or Logo*), 12.11 (*No Use of Series C Investors' Name or Logo*), 12.12 (*No Use of Series B Investors' Name or Logo*), 12.13 (*No Use of Series A-3 Investors' Name or Logo*), 12.14 (*No Use of Series A-2 Investors' Name or Logo*), 13.5 (*Governing Law*) and 13.6 (*Dispute Resolution*) shall survive.
- (ii) This Agreement shall terminate upon mutual consent of all the Parties hereto. The provisions of Sections 7 (*Preemptive Right*), 8 (*Information and Inspection Rights*), 9 (*Corporate Governance*), 10 (*Protective Provisions*) and 11 (*Drag-Along Rights*) shall terminate on the consummation of a Qualified IPO. If this Agreement terminates, the Parties shall be released from their obligations under this Agreement, except in respect of any obligation stated, explicitly or otherwise, to continue to exist after the termination of this Agreement (including without limitation those under Section 2 through 6, Section 12 (*Additional Covenants*) and this Section 13). If any Party breaches this Agreement before the termination of this Agreement, it shall not be released from its obligations arising from such breach on termination.

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### 13.3 Further Assurances

Upon the terms and subject to the conditions herein, each of the Parties hereto agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and, to the extent reasonably requested by another Party, to enforce rights and obligations pursuant hereto.

### 13.4 Assignments and Transfers; No Third Party Beneficiaries

Except as otherwise provided herein, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, their respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. Subject as otherwise provided herein, the rights of any Investor hereunder are assignable to any Person in connection with the transfer (which transfer does not breach any provision of the Series D Transaction Documents and any applicable Laws) of Equity Securities held by such Investor but only to the extent of such transfer, and any such transferee shall execute and deliver to the Company a Deed of Adherence in the form attached hereto as Exhibit A becoming a party hereto as a “Party,” a “Shareholder,” and an “Investor” hereunder and under the applicable Series D Transaction Documents, subject to the terms and conditions hereof and thereof. Subject to the foregoing, this Agreement and the rights and obligations of any Party hereunder shall not otherwise be assigned without the mutual written consent of the other Parties.

Notwithstanding any provision to the contrary in this Agreement, the Parties hereby acknowledge and agree that Padmasree shall be able to tender of any of her Series A-3 Preferred Shares from time to time for all or a portion of any amounts due to the Company pursuant to the Loan and Security Agreement.

### 13.5 Governing Law

This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

### 13.6 Dispute Resolution.

- (i) Any dispute, controversy or claim (each, a “**Dispute**”) arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the “**Arbitration Notice**”) to the other.

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- (ii) The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the “**HKIAC**”) in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the “**HKIAC Rules**”) in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. The arbitration tribunal shall consist of three (3) arbitrators to be appointed according to the HKIAC Rules.
  - (iii) To the extent that the HKIAC Rules are in conflict with the provisions of this Section 13.6, the provisions of this Section 13.6 shall prevail.
  - (iv) The arbitration shall be conducted in English. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party.
  - (v) The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.
  - (vi) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Law of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.
  - (vii) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.
  - (viii) During the course of the arbitral tribunal’s adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

### 13.7 Notices

Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule 2 (*Address for Notices*) (or at such other address as such Party may designate by fifteen (15) days’ advance written notice to the other Parties to this Agreement given in accordance with this Section 13.7). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a “with a copy to” address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

---

**13.8 Expenses**

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

**13.9 Rights Cumulative; Specific Performance**

Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to apply for injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

**13.10 Successor Indemnification**

If any Warrantor or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of such Warrantor assume the obligations of such Warrantor with respect to indemnification of the Investor Director as in effect immediately before such transaction, whether such obligations are contained in the Charter Documents, or elsewhere, as the case may be.

**13.11 Severability**

In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

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**13.12 Amendments and Waivers**

Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) the Company; (ii) the holders of at least a majority of the then issued and outstanding Series A-1 Preferred Shares; (iii) the holders of at least seventy-five percent (75%) of the then issued and outstanding Series A-2 Preferred Shares; (iv) the holders of at least a majority of the then issued and outstanding Series A-3 Preferred Shares; (v) the holders of at least seventy-five percent (75%) of the then issued and outstanding Series B Preferred Shares; (vi) the holders of at least seventy-five percent (75%) of the then issued and outstanding Series C Preferred Shares, (vii) the holders of at least seventy-five percent (75%) of the then issued and outstanding Series D Preferred Shares, and (viii) Prime Hubs; provided, however, that no amendment or waiver shall be effective or enforceable in respect of any Ordinary Holder or a holder of Preferred Shares if such amendment or waiver affects such Ordinary Holder or such holder of Preferred Shares, respectively, materially and adversely differently from the other Ordinary Holders or the other holders of the Preferred Shares of the same class or series, respectively, unless such Ordinary Holder or such holder of Preferred Shares consents in writing to such amendment or waiver. Notwithstanding the foregoing, any Party may waive any of its/his rights hereunder by an instrument in writing signed by such Party without obtaining the consent of any other Parties. Any amendment or waiver effected in accordance with this Section 13.12 shall be binding upon all the Parties hereto.

**13.13 No Waiver**

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

**13.14 Delays or Omissions**

No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.



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**13.15 No Presumption**

The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

**13.16 Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

**13.17 Entire Agreement**

This Agreement (including the Exhibits hereto) constitutes the full and entire understanding and agreement among the Parties with regard to the subjects hereof, and supersedes all other agreements between or among any of the Parties with respect to the subject matter hereof. Without limiting the generality of the foregoing, this Agreement supersedes, in its entirety, the Prior Shareholders Agreement, which shall terminate and have no further force or effect whatsoever as of the date of effectiveness of this Agreement, and the Parties hereby irrevocably waive any and all rights that they may have against any other party under the Prior Shareholders Agreement in exchange for their rights hereunder.

**13.18 Control**

In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents of any of the Group Companies and Prime Hubs, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects as among all the Parties other than the Company, the Parties shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents, and the Parties hereto shall exercise all voting and other rights and powers (including to procure any required alteration to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

**13.19 Performance**

The Ordinary Holders irrevocably agree to cause and guarantee the performance by each Warrantor of all of its respective covenants and obligations under this Agreement.

**13.20 Aggregation of Shares**

All Shares held or acquired by any Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

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**13.21 Adjustments for Share Splits, Etc**

Wherever in this Agreement there is a reference to a specific number of Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of the relevant class or series of the Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of Shares by such subdivision, combination or share dividend.

**13.22 Grant of Proxy**

Upon the failure of any Ordinary Holder to vote the Equity Securities of the Company held thereby, to implement the provisions of and to achieve the purposes of this Agreement, such Ordinary Holder hereby grants to a Person designated by the Company a proxy in all Equity Securities of the Company held by it/him to vote all such Equity Securities to implement the provisions of and to achieve the purposes of this Agreement.

**13.23 Rights and Obligations of Holders of Preferred Shares**

Under the Series D Transaction Documents, (i) the obligations of the holders of the Preferred Shares shall be several and not joint, (ii) the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, and the Series A-3 Preferred Shares shall rank *pari passu* with each other, except as otherwise provided in the Series D Transaction Documents, (iii) the Series B Preferred Shares shall rank prior and in preference to the Series A Preferred Shares, except as otherwise provided in the Series D Transaction Documents, (iv) the Series C Preferred Shares shall rank prior and in preference to the Series B Preferred Shares and the Series A Preferred Shares, except as otherwise provided in the Series D Transaction Documents, and (v) the Series D Preferred Shares shall rank prior and in preference to the Series C Preferred Shares, the Series B Preferred Shares and the Series A Preferred Shares, except as otherwise provided in the Series D Transaction Documents.

**13.24 Use of English Language**

This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

**13.25 Replacement**

The Parties agree that upon the Initial Closing, this Agreement shall supersede and replace the Prior Shareholders Agreement in its entirety, and the Prior Shareholders Agreement shall terminate and have no further force or effect as of the Initial Closing Date.

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### 13.26 Representations and Warranties

- (i) Each Party hereby represents and warrants to each other Party, as of the date hereof, and as of the effective date of this Agreement (with respect to an Additional Series D Investor, as of the Additional Closing Date), as follows:
- (1) such Party, if not a natural person, is duly organized, validly existing and in good standing under the applicable Law of its jurisdiction of organization/incorporation;
  - (2) such Party is a natural person, or is a corporate body with the legal capacity, power, authority and right to execute, deliver and perform its obligations under this Agreement, and all actions on its part necessary for the authorization, execution, delivery of and the performance of all of its obligations under this Agreement have been taken;
  - (3) this Agreement will when executed be a legal, valid and binding obligation, enforceable against it in accordance with its terms, except where such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally; and
  - (4) the execution and delivery by such Party of this Agreement and the consummation by it of all the transactions contemplated hereunder do not (i) breach or constitute (or with notice or lapse of time or both constitute) a default under its constitutional documents, the Prior Shareholders Agreement or any material contract or agreement to which such Party is bound; and (iii) result in a violation or breach of or constitute (or with notice or lapse of time or both constitute) a default under any applicable Law by which such Party or any of its assets is bound.

### 13.27 Exclusion of Contracts (Rights of Third Parties) Ordinance

Save as otherwise expressly provided hereunder, a Person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong ) to enforce this Agreement.

*[The remainder of this page has been intentionally left blank.]*

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**IN WITNESS WHEREOF**, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMPANY:

**NIO INC.**

By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Director

HK COMPANY:

**NIO NEXTEV LIMITED**

By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

XPT:

**XPT LIMITED**

By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Director



XPT TECHNOLOGY:

**XPT TECHNOLOGY LIMITED**

By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Director



XPT US:

**XPT INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SHANGHAI NEXTEV:

**NIO CO., LTD.**



By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Legal Representative

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

JIANGSU WEIRAN:

**XPT (JIANGSU) INVESTMENT CO., LTD.**



By: /s/ LI Bin

Name: LI Bin (李斌)

Title: Legal Representative

SHANGHAI WEILAN:

**SHANGHAI XPT TECHNOLOGY CO., LTD.**



By: /s/ LI Bin

Name: LI Bin (李斌)

Title: Legal Representative

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**XPT NANJING TECHNOLOGY**

**XPT (NANJING) E-POWERTRAIN TECHNOLOGY CO., LTD.**



By: /s/ LI Bin  
Name:  
Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**XPT NANJING ENERGY**

**XPT (NANJING) ENERGY STORAGE SYSTEM CO., LTD.**

*Jack Chang*



By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

NIO TECHNOLOGY

**NIO TECHNOLOGY CO., LTD.**



By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Legal Representative

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**NEXTEV USER**

**NEXTEV USER ENTERPRISE LIMITED**

By: /s/ QIN Lihong

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**SHANGHAI AUTO DISTRIBUTION SHANGHAI NIO SALES AND SERVICE CO., LTD.**

/s/ QIN Lihong  
By: \_\_\_\_\_  
Name:  
Title:



Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**NEXTEV POWER**

**NEXTEV POWER EXPRESS LIMITED**

By: /s/ QIN Lihong

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**HUBEI INVESTMENT**

**NIO ENERGY INVESTMENT (HUBEI) CO., LTD.**

By: \_\_\_\_\_  
Name:  
Title:



Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**SHANGHAI ENERGY**

**SHANGHAI NIO ENERGY TECHNOLOGY CO., LTD.**

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_



Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**WUHAN ENERGY**

**WUHAN NIO ENERGY CO., LTD.**



By: /s/ QIN Lihong

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**BEIJING LIBITE**

**BEIJING LIBITE AUTO TECHNOLOGY CO., LTD.**



By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Legal Representative

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

NANJING WEILONG:

**XTRONICS (Nanjing) Automotive Intelligent Technology Co., Ltd.**

*Jack Chang*

By: \_\_\_\_\_  
Name:  
Title:



Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**US COMPANY**

**NIO USA, INC.**

By: /s/ Padmasree Warrior

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**GERMAN COMPANY**

**NIO GMBH**

By: /s/ ZHANG Hui

Name: ZHANG Hui (张晖)

Title: Managing Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**UK COMPANY**

**NIO NEXTEV (UK) LTD**

By: /s/ Hui Zhang

Name: Hui Zhang

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**PRIME HUBS**

**PRIME HUBS LIMITED**

By: /s/ QIN Lihong

Name: QIN Lihong (秦力洪)

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**FOUNDER**

**LI BIN (李斌)**

By: /s/ LI Bin

---

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**INVESTOR**

**ORIGINAL WISH LIMITED**

By: /s/ LI Bin

Name: LI Bin (李斌)

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

**INVESTOR**

**MOBIKE GLOBAL LTD.**

By: /s/ LI Bin

Name: LI Bin (李斌)

Title: Director


Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ENERGY LEE LIMITED**

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HILLHOUSE NEV HOLDINGS LIMITED**

By: /s/ Meng Shan

Name: Meng Shan

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SHUNWEI TMT II LIMITED**

By: /s/ Koh Tuck Lye

Name: Koh Tuck Lye

Title: Director

**SHUNWEI GROWTH II LIMITED**

By: /s/ Koh Tuck Lye

Name: Koh Tuck Lye

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SMART GROUP GLOBAL LIMITED**

By: /s/ Lin Qiang Dong

Name: Lin Qiang Dong

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**MOUNT PUTUO INVESTMENT LIMITED**

A handwritten signature in black ink, appearing to be 'R. Wang', is written over a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SEQUOIA CAPITAL CHINA GF HOLDCO III-A, LTD.**

By: /s/ Ip Siu Wai Eva

Name: Ip Siu Wai Eva

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**JOY CAPITAL I, L.P.**

By: Joy Capital I GP, L.P.  
its general partner

By: Joy Capital GP, Ltd.  
its general partner

By: /s/ LIU ERHAI

Name: LIU ERHAI

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**PADMASREE WARRIOR**

/s/ Padmasree Warrior

---

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ANDERSON INVESTMENTS PTE. LTD.**

By: /s/ Rohit Sobti

Name: Rohit Sobti

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**TPG GROWTH III SF PTE. LTD.**

By: /s/ Hua Fung Teh

Name: Hua Fung Teh

Title: Authorised Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BLUESTONE COMPANY LIMITED**

By: /s/ Tay Chee Keong Jeremiah Jeremy

Name: Tay Chee Keong Jeremiah Jeremy

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR

**MAGIC STONE ALTERNATIVE PRIVATE EQUITY FUND, L.P.**

A handwritten signature in black ink, appearing to be a stylized 'M' or 'P' followed by a cursive flourish.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ORIENT HONTAI LIMITED**

By: /s/ Tony Ma

Name: Tony Ma (马云涛)

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**GOLDEN BRICK CAPITAL PRIVATE EQUITY FUND II L.P.**



By: \_\_\_\_\_

Name:

Title:

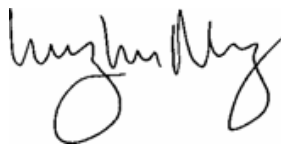
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ULTIMATE LENOVO LIMITED**



By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HH RSV-X HOLDINGS LIMITED**

By: /s/ Jennifer Neo

Name: Jennifer Neo

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SCC GROWTH IV HOLDCO A, LTD.**

By: /s/ Ip Siu Wai Eva

Name: Ip Siu Wai Eva

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**PALACE INVESTMENTS PTE. LTD.**

By: /s/ Choun Chee Kong

Name: Choun Chee Kong

Title: Authorised signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**GRANDFIELD INVESTMENT LTD.**

By: /s/ Wong Kok Wai

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**IDG CHINA VENTURE CAPITAL FUND IV L.P.**

By: IDG China Venture Capital Fund IV Associates L.P.,  
its General Partner

By: IDG China Venture Capital Fund GP IV Associates Ltd.,  
its General Partner

By: /s/ Chi Sing HO

Name: Chi Sing HO

Title: Authorized Signatory

**IDG CHINA IV INVESTORS L.P.**

By: IDG China Venture Capital Fund GP IV Associates Ltd.,  
its General Partner

By: /s/ Chi Sing HO

Name: Chi Sing HO

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BRIGHT SKY II, L.P.**

By Bright Sky Partners Limited,  
its General Partner

By: /s/ Wong Kok Wai

Name: Wong Kok Wai

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**LONG WINNER INVESTMENT LIMITED**

A handwritten signature in black ink, consisting of a series of fluid, connected strokes, positioned above a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BAIDU CAPITAL L.P.**



By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**WEST CITY ASIA LIMITED**

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**TANZANITE GEM HOLDINGS LIMITED**

By: /s/ Steven Glenn

Name: Steven Glenn

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HAIXIA NEV INTERNATIONAL LIMITED PARTNERSHIP**  
**(formerly known as HAIXIA NIO INTERNATIONAL LIMITED**  
**PARTNERSHIP)**

*For and on behalf of*  
Haixia NEV International Limited Partnership



By: \_\_\_\_\_

Name: Haixia Capital Management Ltd,

Title: Authorised Signatory of its General Partner Haixia NEV  
International Limited Partnership

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HAITONG INTERNATIONAL INVESTMENT HOLDINGS LIMITED**

By: /s/ Xi DENG

Name: Xi DENG

Title: Managing Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**NEW MARGIN CAPITAL HONG KONG CO.,  
LIMITED (聯創資本(香港)有限公司)**



By: \_\_\_\_\_  
Name:  
Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**IMAGE FRAME INVESTMENT (HK) LIMITED**

A handwritten signature in black ink, appearing to be 'Rudolf', is written over a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

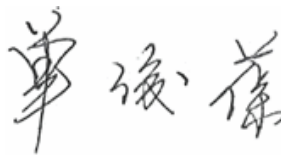
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ZHIDE EV INVESTMENT LIMITED**



By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CHINAEQUITY SMART TRAVEL CO., LTD.**

A handwritten signature in black ink, appearing to be 'Jing Zhang', written over a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**TOTAL PRESTIGE INVESTMENT LIMITED**

By: /s/ Wong Kok Wai

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CYBER TYCOON LIMITED**

By: /s/ Chi Sing HO

Name: Chi Sing HO

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HONOR BEST INTERNATIONAL LIMITED**

A handwritten signature in black ink, appearing to be 'H. B. I. L.', is written over a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CHAMPION ELITE GLOBAL LIMITED**  
**(冠傑環球有限公司)**

By: /s/ Jenny Wenjie WU

Name: Jenny Wenjie WU

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CHINA INDUSTRIAL INTERNATIONAL TRUST ASSET  
MANAGEMENT COMPANY LIMITED, (formerly known as CHINA  
INVESTMENT ASSET MANAGEMENT LIMITED)  
(兴业国信资产管理有限公司)**



By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HF HOLDINGS LIMITED**

*For and on behalf of*  
HF Holdings Limited



*Authorized Signature(s)*

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**TEALEAF LIMITED**

By: /s/ Karen Ellerbe

Name: Karen Ellerbe

Title: Director

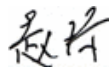
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BLISSFUL DAYS HOLDINGS LIMITED**  
**(福日控股有限公司)**



By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**GUANGFAXINDE CAPITAL MANAGEMENT LIMITED**  
**(广发信德资本管理有限公司)**



By: \_\_\_\_\_

Name:

Title:

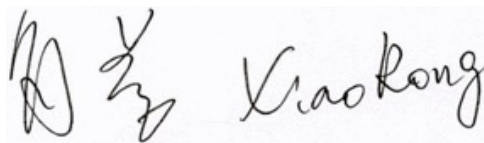
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BLUEFUTURE FUND L.P.**

A handwritten signature in black ink, appearing to read "Xiao Rong", is written over a light gray rectangular background.

By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**UBS AG, LONDON BRANCH**

By: /s/ Saad Slaoui

Name: Saad Slaoui

Title: Managing Director

By: /s/ David Innerdale

Name: David Innerdale

Title: Managing Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**KEEN EAGLE CAPITAL INVESTMENT LIMITED**  
(銳鷹創富有限公司)



By: \_\_\_\_\_  
Name:  
Title:

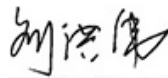
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CHINA OCEANWIDE INTERNATIONAL ASSET MANAGEMENT  
LIMITED**  
**(中泛國際資產管理有限公司)**



By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**CHINA MERCHANTS FORTUNE 100 ALTERNATIVE  
INVESTMENT SP**

By: /s/ Bai Haifeng

Name: Bai Haifeng

Title: CEO



Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**MORESPARK LIMITED**



By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**LEAP PROSPECT LIMITED**

By: /s/ Ling Kay Rodney Tsang

Name: Ling Kay Rodney Tsang

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**PV VISION LIMITED**

By: /s/ Ena Leung

Name: Ena Leung

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SERENITY WL HOLDINGS LTD.**

By: /s/ Wang Chen

Name: Wang Chen

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SCOTTISH MORTGAGE INVESTMENT TRUST PLC.**

By: /s/ Graham Laybourn  
Name: Graham Laybourn  
Title: Partner of Baillie Gifford & Co, as agent for and on behalf of  
Scottish Mortgage Investment Trust plc

**PACIFIC HORIZON INVESTMENT TRUST PLC.**

By: /s/ Graham Laybourn  
Name: Graham Laybourn  
Title: Partner of Baillie Gifford & Co, as agent for and on behalf of  
Pacific Horizon Investment Trust plc

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**MARIAD OPPORTUNITIES MASTER FUND LIMITED**

By: /s/ Scott A. Gaynor

Name: Scott A. Gaynor

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**LONE CYPRESS LTD.**

By: /s/ Kerry A. Tyler  
Name: Kerry A. Tyler  
Title: Authorized Signatory

**LONE SPRUCE L.P.**

By: /s/ Kerry A. Tyler  
Name: Kerry A. Tyler  
Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**ULTRA RESULT HOLDINGS LIMITED**

A handwritten signature in black ink, appearing to read "Kij Shang", is written over a horizontal line.

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**AL NAHDHA INVESTMENT LLC**

By: /s/ H.E. Saeed Eid Al Ghafl

Name: H.E. Saeed Eid Al Ghafl

Title: Authorized Signatory

**AL BEED GROUP**

By: /s/ H.E. Saeed Eid Al Ghafl

Name: H.E. Saeed Eid Al Ghafl

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**OLDBRIDGE INVEST LLC**

By: /s/ Galal Kulaib

Name: Galal Kulaib

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**AC LIMITED**

By: /s/ Ossama Khoreibi

Name: Ossama Khoreibi

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**BEST CASTLE LIMITED**

A handwritten signature in black ink, appearing to be 'Z. Ma', is written over a horizontal line.

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HUBEI SCIENCE & TECHNOLOGY INVESTMENT GROUP  
(HONG KONG) COMPANY LIMITED**



By: \_\_\_\_\_  
Name: 孙颖  
Title: Director of Company

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**WP NIO INVESTMENT PARTNERSHIP L.P.**

By: /s/ Steven Glenn

Name: Steven Glenn

Title: Authorized Signatory

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**LEZMENIA ASSETS LIMITED**



By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LAPATHIA HOLDINGS LIMITED**



By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**SILVER RIDGE FUND I LIMITED PARTNERSHIP**

*For and on behalf of*  
Silver Ridge Ventures Limited



*Authorized Signature(s)*

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**THE MABEL CHAN 2012 FAMILY TRUST**

By: /s/ Ed Yiu-Cheong Chan

Name: Ed Yiu-Cheong Chan

Title: Trustee

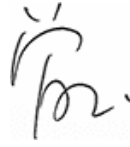
Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**MAGIC STONE SPECIAL OPPORTUNITY FUND IV, L.P.**

A handwritten signature in black ink, appearing to be "J. M.", is written over a light gray rectangular background.

By: \_\_\_\_\_

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.



---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**MEGA TREASURE INVESTMENT LIMITED**

By: /s/ Wong Kok Wai

Name:

Title:

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**JOY NEXT INVESTMENT MANAGEMENT LIMITED**

By: /s/ LIU ERHAI

Name: LIU ERHAI

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**DIAMOND DIVISION LIMITED**

A handwritten signature in black ink, consisting of several fluid, connected strokes, positioned above a horizontal line.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

---

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

**HH DYU HOLDINGS LIMITED**

By: /s/ Meng Shan

Name: Meng Shan

Title: Director

Signature Page to Fifth Amended and Restated Shareholders' Agreement - NIO INC.

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**SCHEDULE 1  
LIST OF INVESTORS**

**Part A1**

1. **ORIGINALWISH LIMITED**, a business company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Originalwish**”);
2. **MOBIKE GLOBAL LTD.**, a business company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands (“**mobike Global**”); and
3. **ENERGY LEE LIMITED**, a business company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Energy**”).

**Part A2**

4. **HILLHOUSE NEV HOLDINGS LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands;
5. **SHUNWEI TMT II LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Shunwei TMT**”), and **SHUNWEI GROWTH II LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Shunwei Growth**”, together with Shunwei TMT, “**Shunwei**”);
6. **SMART GROUP GLOBAL LIMITED**, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Smart Group**”); and
7. **MOUNT PUTUO INVESTMENT LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Mount Putuo**”).

**Part A3**

8. **SEQUOIA CAPITAL CHINA GF HOLDCO III-A, LTD.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (“**Sequoia**”);
9. **JOY CAPITAL I, L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands (“**Joy Capital**”); and
10. **PADMASREE WARRIOR**, a U.S. citizen whose passport number is \*\*\*\*\* (“**Padmasree**”).

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**Part B**

11. **ANDERSON INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore (“**Temasek**”);
12. **TPG GROWTH III SF PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore (“**TPG**”);
13. **BLUESTONE COMPANY LIMITED**, a company limited by shares duly incorporated and validly existing under the Laws of the Cayman Islands (“**Bluestone**”);
14. **MAGIC STONE ALTERNATIVE PRIVATE EQUITY FUND, L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands (“**Magic Stone**”);
15. **ORIENT HONTAI LIMITED**, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Orient Hontai**”);
16. **GOLDEN BRICK CAPITAL PRIVATE EQUITY FUND II L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands (“**Golden Brick**”);
17. **ULTIMATE LENOVO LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Lenovo**”);
18. **HILLHOUSE NEV HOLDINGS LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands;
19. **HH RSV-X HOLDINGS LIMITED**, an exempted company with limited liability duly incorporated and validly existing under the Laws of the Cayman Islands;
20. **SHUNWEI TMT II LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands, and **SHUNWEI GROWTH II LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands;
21. **MOUNT PUTUO INVESTMENT LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the British Virgin Islands;
22. **SCC GROWTH IV HOLDCO A, LTD.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (“**SCC**”);
23. **JOY CAPITAL I, L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands;
24. **PALACE INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore (“**Palace**”);

- 
25. **GRANDFIELD INVESTMENT LTD.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (“**Grandfield**”);
  26. **IDG CHINA VENTURE CAPITAL FUND IV L.P. and IDG CHINA IV INVESTORS L.P.**, each an exempted limited partnership registered and validly existing under the Laws of the Cayman Islands;
  27. **BRIGHT SKY II, L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands (“**Bright Sky**”); and
  28. **LONG WINNER INVESTMENT LIMITED** (遠宏投資有限公司), a limited company duly incorporated and validly existing under the Laws of Hong Kong.

#### **Part C**

29. **BAIDU CAPITAL L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands (“**Baidu Capital**”);
30. **WEST CITY ASIA LIMITED**, a company limited by shares duly incorporated and validly existing under the Laws of the British Virgin Islands (“**West City**”);
31. **TANZANITE GEM HOLDINGS LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**WP**”);
32. **HAIXIA NEV INTERNATIONAL LIMITED PARTNERSHIP** (formerly known as **HAIXIA NIO INTERNATIONAL LIMITED PARTNERSHIP**), a limited partnership company duly incorporated and validly existing under the Laws of the Cayman Islands (“**Haixia**”);
33. **HAITONG INTERNATIONAL INVESTMENT HOLDINGS LIMITED** (formerly known as **HAITONG INTERNATIONAL ALTERNATIVE INVESTMENT LIMITED**), a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Haitong**”);
34. **NEW MARGIN CAPITAL HONG KONG CO., LIMITED** (聯創資本(香港)有限公司), a limited liability company duly incorporated and validly existing under the Laws of Hong Kong (“**New Margin Capital**”);
35. **IMAGE FRAME INVESTMENT (HK) LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong (“**Image Frame**”, with Mount Putuo, individually or collectively “**Tencent**”);
36. **ZHIDE EV INVESTMENT LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the Cayman Islands (“**Zhide**”);
37. **CHINAEQUITY SMART TRAVEL CO., LTD.**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**ChinaEquity**”);

- 
38. **PALACE INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore;
  39. **TOTAL PRESTIGE INVESTMENT LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the Cayman Islands (“**Total Prestige**”);
  40. **BRIGHT SKY II, L.P.**, an exempted limited partnership duly registered and validly existing under the Laws of the Cayman Islands;
  41. **TPG GROWTH III SF PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore;
  42. **BLUESTONE COMPANY LIMITED**, a company limited by shares duly incorporated and validly existing under the Laws of the Cayman Islands;
  43. **IDG CHINA VENTURE CAPITAL FUND IV L.P.** and **IDG CHINA IV INVESTORS L.P.**, each an exempted limited partnership registered and validly existing under the Laws of the Cayman Islands, and **CYBER TYCOON LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**IDG**”);
  44. **HONOR BEST INTERNATIONAL LIMITED**, a company with limited liability duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Honor Best**”);
  45. **ANDERSON INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore;
  46. **ULTIMATE LENOVO LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  47. **CHAMPION ELITE GLOBAL LIMITED** (冠傑環球有限公司), a business company duly registered and validly existing under the Laws of the British Virgin Islands;
  48. **CHINA INDUSTRIAL INTERNATIONAL TRUST ASSET MANAGEMENT COMPANY LIMITED** (formerly known as **CHINA INVESTMENT ASSET MANAGEMENT LIMITED** (兴业国信资产管理有限公司)), a limited liability company duly registered and validly existing under the Laws of the PRC;
  49. **HF HOLDINGS LIMITED**, a limited liability company under the laws of the British Virgin Islands;
  50. **TEA LEAF LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands;



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51. **BLISSFUL DAYS HOLDINGS LIMITED** (福日控股有限公司), a business company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  52. **GUANGFA XINDE CAPITAL MANAGEMENT LIMITED** (广发信德资本管理有限公司), a corporation duly incorporated under and validly existing under the Laws of the British Virgin Islands;
  53. **BLUEFUTURE FUND L.P.**, an exempted limited partnership duly incorporated and validly existing under the Laws of the Cayman Islands;
  54. **UBS AG, LONDON BRANCH**, a company duly incorporated and validly existing under the Laws of the Switzerland and registered as a branch in England and Wales Branch No. BR004507 at 5 Broadgate, London EC2M 2QS;
  55. **KEEN EAGLE CAPITAL INVESTMENT LIMITED** (銳鷹創富有限公司), a limited liability company duly incorporated and validly existing under the Laws of Hong Kong;
  56. **CHINA OCEANWIDE INTERNATIONAL ASSET MANAGEMENT LIMITED** (中泛國際資產管理有限公司), a BVI business company duly incorporated and validly existing under the Laws of the British Virgin Islands; and
  57. **CHINA MERCHANTS FORTUNE 100 ALTERNATIVE INVESTMENT SP**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands.

#### **Part D**

58. **IMAGE FRAME INVESTMENT (HK) LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong;
59. **MORESPARK LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong (“**Morespark**”);
60. **LEAP PROSPECT LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands (“**Hammer Capital**”);
60. **PV VISION LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
61. **SERENITY WL HOLDINGS LTD.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands;
62. **SCOTTISH MORTGAGE INVESTMENT TRUST PLC**, a public limited company duly incorporated and validly existing under the Laws of the United Kingdom;
63. **PACIFIC HORIZON INVESTMENT TRUST PLC**, a public limited company duly incorporated and validly existing under the Laws of the United Kingdom;

- 
64. **MYRIAD OPPORTUNITIES MASTER FUND LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands;
  65. **LONE CYPRESS, LTD.**, an exempted limited liability company duly incorporated and validly existing under the Laws of the Cayman Islands;
  66. **LONE SPRUCE, L.P.**, a limited partnership duly incorporated and validly existing under the Laws of the State of Delaware, USA;
  67. **ULTRA RESULT HOLDINGS LIMITED**; a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  68. **AL NAHDHA INVESTMENT LLC**, a limited liability company duly incorporated and validly existing under the Laws of United Arab Emirates;
  69. **AL BEED GROUP**, an establishment duly incorporated and validly existing under the Laws of United Arab Emirates;
  70. **OLDBRIDGE INVEST L.L.C.**, a limited liability company duly incorporated and validly existing under the Laws of United Arab Emirates;
  71. **AC LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Dubai International Financial Centre;
  72. **BEST CASTLE LIMITED**, an exempted Company duly incorporated and validly existing under the Laws of the Cayman Islands;
  73. **HUBEI SCIENCE & TECHNOLOGY INVESTMENT GROUP (HONG KONG) COMPANY LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong;
  74. **WP NIO INVESTMENT PARTNERSHIP L.P.**, a limited partnership duly incorporated and validly existing under the Laws of the Cayman Islands;
  75. **LEZMENIA ASSETS LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  76. **LAPATHIA HOLDINGS LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Cyprus;
  77. **SILVER RIDGE FUND I LIMITED PARTNERSHIP**, a limited partnership duly incorporated and validly existing under the Laws of the Cayman Islands;
  78. **THE MABEL CHAN 2012 FAMILY TRUST**, a trust duly governed by the laws of the State of New York, USA;
  79. **MAGIC STONE SPECIAL OPPORTUNITY FUND IV L.P.**, an exempted limited partnership duly incorporated and validly existing under the Laws of the Cayman Islands;

- 
80. **MEGA TREASURE INVESTMENT LIMITED**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands;
  81. **TANZANITE GEM HOLDINGS LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  82. **SCC GROWTH IV HOLDCO A, LTD.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (“**SCC**”);
  83. **JOY NEXT INVESTMENT MANAGEMENT LIMITED**, a limited liability company duly registered and validly existing under the Laws of Hong Kong;
  84. **ANDERSON INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore;
  85. **TPG GROWTH III SF PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore;
  86. **BLUESTONE COMPANY LIMITED**, a company limited by shares duly incorporated and validly existing under the Laws of the Cayman Islands;
  87. **BRIGHT SKY II, L.P.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands;
  88. **DIAMOND DIVISION LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  89. **WEST CITY ASIA LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of the British Virgin Islands;
  90. **HAIXIA NEV INTERNATIONAL LIMITED PARTNERSHIP**, a limited partnership company duly incorporated and validly existing under the Laws of the Cayman Islands;
  92. **KEEN EAGLE CAPITAL INVESTMENT LIMITED**, a limited liability company duly incorporated and validly existing under the Laws of Hong Kong;
  93. **PALACE INVESTMENTS PTE. LTD.**, a private company limited by shares duly incorporated and validly existing under the Laws of Republic of Singapore; and
  94. **HH DYU Holdings Limited**, an exempted company with limited liability duly incorporated and validly existing under the Laws of the Cayman Islands (collectively with Hillhouse NEV Holdings Limited and HH RSV-X Holdings Limited, “**Hillhouse**”).

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**SCHEDULE 2**  
**ADDRESS FOR NOTICES**

**If to the Group Companies:**

Address: 20th Building, 56 An Tuo Road, AnTing Town, JiaDing, Shanghai, PRC  
Attn: Mr. WANG Dongning (汪冬宁)  
Fax:  
Email: nick.wang@nio.com

**If to Founder Vehicles:**

Address: Floor 13-14, Building No.1, Cheng Ying Center, 5 Laiguangying West Road, Chaoyang District, Beijing, PRC  
(中国北京市朝阳区来广营西路 5 号院诚 盈中心 1 号楼 13-14 层)  
Attn: Mr. LI Bin  
Fax:  
Email: william.li@nextev.com

**If to Founder:**

Address: Floor 13-14, Building No.1, Cheng Ying Center, 5 Laiguangying West Road, Chaoyang District, Beijing, PRC  
(中国北京市朝阳区来广营西路 5 号院诚 盈中心 1 号楼 13-14 层)  
Attn: Mr. LI Bin  
Fax:  
Email: william.li@nextev.com

**If to Prime Hubs:**

Address: Floor 13-14, Building No.1, Cheng Ying Center, 5 Laiguangying West Road, Chaoyang District, Beijing, PRC  
(中国北京市朝阳区来广营西路 5 号院诚 盈中心 1 号楼 13-14 层)  
Attn: Heather DIWU (第五蕙)  
Fax:  
Email: heather.diwu@nio.com

**If to Energy:**

Address: Floor 13-14, Building No.1, Cheng Ying Center, 5 Laiguangying West Road, Chaoyang District, Beijing, PRC  
(中国北京市朝阳区来广营西路 5 号院诚 盈中心 1 号楼 13-14 层)  
Attn: Mr. LI Xiang  
Fax:  
Email: lixiang@autohome.com.cn

---

**If to Hillhouse:**

Address: Floor 28, Building B, PingAn International Financial Center, 3 Xinyuannan Road, Chaoyang District, Beijing 100027, PRC  
Fax: +86 (10) 5952-0882  
Attention: Luke LI  
Email: lli@hillhousecap.com

With a copy to:

Address: Suite 1608, One Exchange Square, 8 Connaught Place, Central, Hong Kong  
Tel: +852 2179-1927  
Fax: +852 2179-1900  
Attention: Mr. Adam HORNUNG  
Email: legal@hillhousecap.com

**If to Shunwei:**

Address: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands  
Attention: Mr. Tuck Lye Koh (许达来)  
Email: tlkoh@shunwei.com

With a copy to:

Address: Unit 1309A, 13/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong  
Tel: +852 24050088  
Fax: +852 24050003  
Email: tlkoh@shunwei.com  
Attention: Mr. Tuck Lye Koh (许达来)

**If to Tencent:**

Address: Tencent Building, Keji Zhongyi Avenue, Hi-tech Park, Nanshan District Shenzhen 518057, PRC  
Attention: Compliance and Transactions Department  
Email: legalnotice@tencent.com

with a copy to:

Address: Tencent Building, Keji Zhongyi Avenue, Hi-tech Park, Nanshan District, Shenzhen 518057, PRC  
Attention: Mergers and Acquisitions Department  
Email: PD\_Support@tencent.com

**If to Smart Group:**

Address: Building 18, Kechuang No.11 Street, Yizhuang Economic Development Zone, Daxing District, Beijing, PRC  
Tel: (86 10) 58955998  
Fax:  
Attention: Nancy  
Email: nancy@jd.com

---

with a copy to:

Attention: Xiaohong Miao  
Email: mxh@jd.com  
Tel: (86 10) 58955998

**If to Sequoia or SCC:**

Address: Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, c/o Suite 3613, 36/F, Two Pacific Place, 88 Queensway, Hong Kong  
Tel: +852 2501 8989  
Fax: +852 2501 5249  
Attention: Ip Siu Wai Eva / Ian Qian  
Email: eip@sequoiacap.com, iqian@sequoiacap.com

**If to Joy Capital:**

Address: 1501 Tower B, Greenland Center, No.4 Wangjing Dongyuan, Chaoyang District, Beijing  
Tel: (86 10) 52388085  
Fax: (86 10) 52388090  
Attention: Angela Lin  
Email: linlin@joycapital.com.cn

**If to Padmasree Warrior:**

Address: 2950 Alexis Drive Palo Alto, CA 94304  
Tel: +1(408) 386 7960 (Cell)  
+1(650) 209 5705 (Home)  
Email: padmasree.warrior@gmail.com

**If to Temasek:**

Address: 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891  
Tel:  
Fax:  
Attention: Wu Hai  
Email: wuhai@temasek

**If to TPG:**

Address: TPG Growth III SF Pte. Ltd., 80 Raffles Place, #15-01 UOB Plaza 1, Singapore 048624  
Tel: +65 6390 5000  
Fax: +65 6390 5001  
Attention: Hua Fung Teh  
Email: HTeh@tpg.com

---

With a copy to:

**TPG Global, LLC**

Address: 301 Commerce Street, Suite 3300 Fort Worth, TX 76102, U.S.A.  
Tel: +1 415 743 1532  
Fax: +1 415 438 1349  
Attention: Legal Department  
Email: [tpglegaldepartment@tpg.com](mailto:tpglegaldepartment@tpg.com)

**If to Bluestone:**

Address: Suites 203-205, Winland International Finance Center, No. 7 Financial Street, Beijing, China  
Tel:  
Fax:  
Attention: Yi CHEN  
Email: [simon.chen@hopucap.com](mailto:simon.chen@hopucap.com)

**If to Magic Stone:**

Address: D36, King's Garden, No.18 Xiaoyun Road, Chaoyang District, Beijing, P.R. China  
Tel:  
Fax: +86 (10) 85187755  
Attention: Zeng Yu  
Email: [jennyzeng@msainvest.com](mailto:jennyzeng@msainvest.com)

**If to Orient Hontai:**

Address: 701, 7/F, North Block C, Raycom Infotech Park, No. 2 Science Institution South Road, Haidian District, Beijing, China  
Tel: +86 150 1138 5037  
Fax: +86 (10) 8286 2988-927  
Attention: Eric Zhao/Han Zhang  
Email: [eric.zhao@hontaicapital.com](mailto:eric.zhao@hontaicapital.com)/[Han.zhang@hontaicapital.com](mailto:Han.zhang@hontaicapital.com)

**If to Golden Brick:**

Address: c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands  
Tel:  
Fax: (86 10) 5735 1999  
Attention: Malcolm Ko  
Email: [malcolmko@ceeholdings.com](mailto:malcolmko@ceeholdings.com)

---

**If to Lenovo:**

Address: 6th Floor, Tower A, #6, Shangdi Road West, Haidian District, Beijing Tel:  
Fax:  
Attention: Ricky Chen  
Email: chenbo10@lenovo.com

**If to Palace:**

Address: 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891  
Tel:  
Fax:  
Attention: Song Junhe, Pavcap Ops, Pavcap Legal  
Email: junhe@pavcap.com.sg, ops@pavcap.com.sg, legal@pavcap.com.sg

**If to Grandfield or Bright Sky or Total Prestige:**

Address: 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands  
Tel:  
Fax:  
Attention:

With a copy to:

Redview Advisors (HK) Limited  
Address: Suite 1702-03, One Exchange Square, 8 Connaught Place, Central, Hong Kong  
Tel: +852 2801 6988  
Fax: +852 28014882  
Attention: Director

**If to IDG:**

Address: c/o IDG Capital Management (HK) Ltd., Unit 5505, 55/F., The Center 99 Queen's Road, Central, Hong Kong  
Tel:  
Fax: +852 2529 1619  
Attention: Chi Sing HO  
Email:

With a copy to:

Address: Floor 6, Tower A, COFCO Plaza, 8 Jianguomennei Dajie, Beijing, 100005, P.R. China  
Fax: +86 (10) 8512 0225  
Attention: Mr. Rui Guo

**If to Long Winner:**

Address: 2508, Hongkou SOHO, 575 Wusong Road, Hongkou Area, Shanghai, China, 200080 / 上海市虹口区吴淞路 575 号虹口 SOHO  
2508, 邮编 200080  
Fax: +86 (21) 6127 9989  
Attention: John Y Hsin  
Email: jhsin@huaxing.com



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**If to Baidu Capital:**

Address: 上海市黄浦区马当路 388 号 SOHO 复兴广场 A 栋 2705 室  
Tel:  
Fax:  
Attention: Jenny Wenjie WU  
Email: jennywu@baidu-cap.com

**If to West City:**

Address: Unit 908, Level 9, Cyberport 2, 100 Cyberport Road, Hong Kong (香港数码 港道 100 号数码港 2 座 9 楼 908 室)  
Tel: +852 2866 3088  
Fax: +852 2866 2966  
Attention: Xin Xu / Rong Zhu  
Email: kathyxu@capitaltoday.com / jasonzhu@capitaltoday.com

**If to WP:**

Address: c/o Warburg Pincus LLC, 450 Lexington Avenue, New York, NY 10017, USA  
Tel:  
Fax:  
Attention: Steven G. Glenn/David J. Sreter/Tara E. O'Neill  
Email:

With a copy to:

Warburg Pincus Asia LLC

Address: Suite 6703, Two International Finance Centre, 8 Finance Street, Hong Kong  
Tel:  
Fax: +852 2521 3869  
Attention: Julian Cheng and Andrew Chan  
Email: julian.cheng@warburgpincus.com/andrew.chan@warburgpincus.com

**If to Haixia:**

Address: Floor 22, East Wing, D Building, Qinghuatongfang Technology Plaza, No.1 Wangzhuang Road, Haidian District, Beijing (北京市海淀区王庄路一号, 清华同方科技广场 D 座东楼 22 层)  
Tel: +86 (10) 82366710  
Fax: +86 (10) 62366718  
Attention: 张明义  
Email: zhangmingyi@haixiaasset.com

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**If to Haitong:**

Address: 18/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong  
Tel: +852 2801 2687  
Fax: +852 3926 8907  
Attention: Luxi Wei  
Email: l.wei@htisec.com

**If to New Margin Capital:**

Address: 北京市朝阳区望京东园4区绿地中心D座绿地中国锦大厦16层1601(Unit 1601-1, Greenland China Jin Building, Hongtai East Street, Wangjing East Garden 4th District, Chaoyang District, Beijing 100102)  
Tel:  
Fax: +86 (10) 65280062  
Attention: Mr. Tian  
Email: zhangyu@newmargin.cn, richardtian@newmargin.cn

**If to Zhidie:**

Address: 32nd Floor, Azia Center, 1233 Lujiazui Ring Road, Shanghai, P.R. China  
Tel:  
Fax: +86 (21) 5888 0598  
Attention: Yuan Shitao  
Email: Shitao.yuan@cicc.com.cn

**If to ChinaEquity:**

Address: 3rd Floor, Tower C, Shoukai Xingfu Square, Xindong Road, Chaoyang District, Beijing 100027, China  
Tel: +86 (10) 8555 0508  
Fax: +86 (10) 8555 0509  
Attention: John Liu (刘朝文)  
Email: johnliu@chinaequity.net

**If to Honor Best:**

Address: Room 904, Tower E1, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, Beijing, PRC  
Tel:  
Fax: +86 10 85188718  
Attention: CHAI Hua  
Email: hua.chai@everbright-idg.com

**If to Champion Elite:**

Address: Room 2705, 17F, 388 Madang Rd, Shanghai  
Tel: +86 21 8036 1199  
Fax: +86 21 8036 1199  
Attention: Jenny Wenjie Wu  
Email: jennywu@baiducapital.com

---

**If to China Industrial International Trust Asset Management (China Investment Asset Management):**

Address: 35/F, One Business Center, 68 Yin Cheng Zhong Road, Pudong District, Shanghai  
Tel: +86 (021) 3829 6250  
Fax: +86 (021) 3860 1997  
Attention: Zou Likun  
Email: zoulk@ciit.com.cn

**If to HF:**

Address:  
Tel:  
Fax:  
Attention: Xia Wang/Pu Wang  
Email: wangxia@hanfor.cn/wangpu@hanfor.cn

**If to Tea Leaf:**

Address: c/o Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands  
Tel: +1 345 814 7600  
Fax:  
Attention: Directors  
Email: fiduciary@walkersglobal.com

**If to Blissful Days:**

Address:  
Tel:  
Fax:  
Attention: Mr. Zhao  
Email: 366128798@qq.com

**If to Guangfa Xinde:**

Address: 16/F Metro Plaza.183 North Tianhe Rd, Guangzhou, P.R. China  
Tel: +86 20 8755 5888-6362  
Fax: +86 20 8755 3363-6362  
Attention: Liang Chen  
Email: xdchenl@gf.com.cn

**If to Bluefuture:**

Address:  
Tel:  
Fax:  
Attention: Rong Xiao  
Email: xiaor@bothwealth.com

---

**If to UBS:**

Address: UBS AG, 5 Broadgate, London EC2M 2QS  
Tel: +852 2971 8888  
Fax: +852 2868 1510  
Attention: Adrian Ding/John Zhai/Simon Lam  
Email: ol-ccst+-project-newton@ubs.com

**If to Keen Eagle:**

Address:  
Tel:  
Fax: +86 (021) 6226 2075  
Attention: Yuan Yao  
Email: yaoyuan@cdb-pe.cn

**If to China Oceanwide:**

Address:  
Tel:  
Fax:  
Attention: Yue Yuanyuan  
Email: yueyuanyuan@fhkg.com

**If to China Merchants:**

Address: Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands  
Tel: +852 3628 2302  
Fax: +852 3582 3371  
Attention: Gao Ting  
Email: gaot@cmfchina.com

**If to Hammer Capital:**

Address: Room 1803, Zhongshen International Building, Songyuan Road, Luohu District, Shenzhen 518001  
Tel: +86 \*\*\*\*\*  
Fax:  
Attention: Yu Bai/Amanda Chau  
Email: Amanda.chau@hammercapital.co

**If to PV Vision Limited:**

Address: 48/F, China World Tower 3, No. 1 Jian Guo Men Wai Avenue, Beijing, China  
Tel: +86 (10) 8559 8918  
Fax:  
Attention: Michael Wang  
Email: Michael.Wang@primavera-capital.com

---

With a copy to:

Attention: Jimmy Guo/Edward Han  
Email: Jimmy.Guo@primavera-capital.com/Edward.Han@primavera-capital.com

**If to Serenity WL Holdings Ltd.:**

Address: c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104  
Tel: +86-21-6288-1001  
Fax:  
Attention: Wang Chen  
Email: wchen@serenitycap.com

**If to Scottish Mortgage Investment Trust PLC:**

Address: Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN  
Tel:  
Fax:  
Attention: Peter Singlehurst, Linda Lin, Ewan Markson-Brown, Keith Borrows and Christopher Smith  
Email: peter.singlehurst@bailliegifford.com, linda.lin@bailliegifford.com, ewan.markson-brown@bailliegifford.com, keith.borrows@bailliegifford.com, christopher.smith@bailliegifford.com

**If to Pacific Horizon Investment Trust PLC:**

Address: Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN  
Tel:  
Fax:  
Attention: Peter Singlehurst, Linda Lin, Ewan Markson-Brown, Keith Borrows and Christopher Smith  
Email: peter.singlehurst@bailliegifford.com, linda.lin@bailliegifford.com, ewan.markson-brown@bailliegifford.com, keith.borrows@bailliegifford.com, christopher.smith@bailliegifford.com

**If to Myriad Opportunities Master Fund Limited:**

Address: 15/F, Agricultural Bank of China Tower, 50 Connaught Road Central, Central, Hong Kong  
Tel: +852 3664 7889  
Fax: +852 9387 5420  
Attention: Scott Gaynor  
Email: Scott@myriadasset.com

**If to Lone Cypress, Ltd./Lone Spruce, L.P.:**

Address: Two Greenwich Plaza, Greenwich, CT 06830  
Tel:  
Fax:  
Attention: COO/CFO  
Email: kt@lpcap.com/mm@lpcap.com

---

**If to Ultra Result Holdings Limited:**

Address: 37/F, Bank of China Tower, 1 Garden Road, Hong Kong  
Tel: +852 3406 8682  
Fax:  
Attention: Eric Dong  
Email: eric.dong@chinaamc.com

**If to Al Nahdha Investment LLC:**

Address:  
Tel:  
Fax:  
Attention: Amer Khan/Junaid Sukhera  
Email: amer@alnahdhainv.ae/junaid@alnahdhainv.ae

**If to Al Beed Group:**

Address:  
Tel:  
Fax:  
Attention: Amer Khan/Al Hadi  
Email: amer@alnahdhainv.ae/junaid@alnahdhainv.ae

**If to Oldbridge Invest LLC**

Address:  
Tel:  
Fax:  
Attention: Galal Kulaib  
Email: galal@oldbridge.ae

**If to AC Limited:**

Address: Gate Precinct Building 5, Level 6, Suite 607B, DIFC, P.O. Box 116020, Dubai, U.A.E.  
Tel: +971 4 455 9500  
Fax: +971 4 455 9501  
Attention: Michael  
Email: notices@aclimited.com

**If to Best Castle Limited:**

Address: 28/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong  
Tel: +852 3710 6888 / +86 21 6170-5542  
Fax: +852 2104 6977  
Attention: Vicki Hui / Liyang Zhang / Dixon Ng  
Email: vickihui@citicapital.com/liyangzhang@citicapital.com /dixonng@citicapital.com

---

**If to Hube Science & Technology Investment Group (Hong Kong) Company Limited:**

Address: Room 1802, Dominton Centre, 43-59 Queen's Road East, HK  
Tel: +86 (027) 8770 5403  
Fax:  
Attention: Qing Shao  
Email: sq@whovii.com

**If to WP NIO Investment Partnership L.P.:**

Address: 450 Lexington Avenue, New York, NY 10017  
Tel:  
Fax:  
Attention: Steven Glenn  
Email:

**If to Lezmenia Assets/Lapathia Holdings:**

Address: Russia-China Investment Fund, 819-821 Winland International Finance Center, 7 Financial St., Xicheng District, Beijing 100033, China  
Tel:  
Fax: +86 10 57629111  
Attention: Legal Department  
Email: xiaoming.lai@rcif.com, shengwei.xu@rcif.com, zhen.lin@rcif.com

And

Address: Russia-China Investment Fund Naberezhnaya Tower, Presnenskaya nab. 10, Block B, floor 6 Moscow, Russia 123317  
Tel:  
Fax: +7 (495) 230-05-56  
Attention: Legal Department  
Email: stanislav.song@rcif.com, vladislav.sidorov@rcif.com, nina.bystrova@rcif.com

With a copy to:

Address: ThemisServ Ltd, 16, Kyriakos Matsis Avenue, Eagle House, 5thFloor, Ayioi Omoloyites, 1082 Nicosia, Cyprus  
Tel:  
Fax:  
Attention: Despo Efstathiou, Phivos Pelides  
Email: defstathiou@themisserv.com, ppelides@cypruslaw.com.cy

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**If to Silver Ridge Fund I limited Partnership:**

Address: Unit 511, Section B, Building No. 4, Software Industry Base, Nanshan District, Shenzhen, China  
Tel: +86 (755) 82575570  
Fax:  
Attention: Tingting Xiong  
Email: Xiongtingting@silver-ridgecapital.com

**If to the Mabel Chan 2012 Family Trust:**

Address: 4/F, Catalina Mansions, 98 MacDonnell Road, Mid-Levels, Hong Kong  
Tel: +852 9152 8339, +852 9540 2077; +852 2849 6188  
Fax:  
Attention: Ed Yiu-Cheong Chan  
Email: edchan2011@gmail.com, mabeled1987@gmail.com

**If to Magic Stone Special Opportunity Fund IV L.P.:**

Address:  
Tel:  
Fax:  
Attention: Ben Harburg  
Email: Ben.harburg@msainvest.com

**If to Mega Treasure Investment Limited:**

Address: 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands  
Tel:  
Fax:  
Attention: Xiaohuan Liu  
Email: liuxh@nhfund.com

**If to Joy Next Investment Management Limited:**

Address: 1501 Tower B, Greenland Center, No.4 Wangjing Dongyuan, Chaoyang District, Beijing  
Tel: (86 10) 52388085  
Fax: (86 10) 52388090  
Attention: Angela Lin  
Email: linlin@joycapital.com.cn

**If to Diamond Division:**

Address: 2508, Hongkou SOHO, 575 Wusong Road, Hongkou Area, Shanghai, China, 200080 / 上海市虹口区吴淞路 575 号虹口 SOHO  
2508, 邮编 200080  
Tel:  
Fax:  
Attention: Lu ZHAO  
Email: luzhao@huaxing.com



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**EXHIBIT A**  
**FORM OF DEED OF ADHERENCE**

This Deed of Adherence (this “**Deed**”) is entered into on [•], by and between the following parties:

1. **NIO INC.**, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (the “**Company**”); and
2. [New Shareholder], [a [ ] company duly incorporated] / [a [ ] limited partnership duly registered] and validly existing under the Laws of [ ] / [ ] citizen whose passport number is [ ] (the “**New Shareholder**”).

**RECITALS**

- (A) [On [•], the Company, certain Series [A-1/A-2/A-3/B/C/D] Investors, and certain subsidiaries and affiliates of the Company entered into a Series [A-1/A-2/A-3/B/C/D] Preferred Share Purchase Agreement (the “**Purchase Agreement**”) in connection with the issue and sales of the Series [A-1/A-2/A-3/B/C/D] Preferred Shares of the Company.] On [•], 2017, the Company, the shareholders of the Company and certain subsidiaries and affiliates of the Company entered into the Fifth Amended and Restated Shareholders Agreement and the Fifth Amended and Restated Right of First Refusal & Co-Sale Agreement (collectively, and together with any amendments and supplements thereto from time to time, the “**Shareholder Documents**”), which set forth the rights and obligations regarding the corporate governance of the Company, the transfer of the shares of the Company and certain other rights and obligations of the parties as set forth herein. On [•], the Company adopted the Tenth Amended and Restated Memorandum of Association and the Ninth Amended and Restated Articles of Association (together with any amendments and supplements thereto from time to time, the “**M&A**”);
- (B) [The New Shareholder agrees to participate in the Additional Closing permitted under [Section 2.4(ii)] of the Purchase Agreement.] [Subject to the terms and conditions of the Purchase Agreement,] The New Shareholder agrees to [subscribe for / be allotted / have transferred to him/her/it] a total of [ ] [Series A-1/Series A-2/Series A-3 Preferred Shares / Series B Preferred Shares / Series C Preferred Shares / Series D Preferred Shares Ordinary Shares] (the “**Shares**”) of the Company for an aggregate Series A/B/C/D Investment Amount of US\$[ ] [at the Additional Closing] / on [•];
- (C) [Pursuant to [Section 2.4(ii)] of the Purchase Agreement,] The New Shareholder agrees to become a party to and be bound by the terms of [the Purchase Agreement,] the Shareholder Documents (as a party thereto) and the M&A by executing and delivering this Deed; and
- (D) The Company enters into this Deed on behalf of itself and as agent for all other persons who are at present or who may hereafter become bound by [the Purchase Agreement,] the Shareholder Documents and the M&A (including the existing Shareholders).

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**THIS DEED WITNESSES** as follows:

**1. DEFINED TERMS AND CONSTRUCTION**

- 1.1 In this Deed, except as the context may otherwise require, all words and expressions defined in [the Purchase Agreement,] the Shareholder Documents and the M&A shall have the same meanings when used herein.
- 1.2 The rules of construction of [the Purchase Agreement,] the Shareholder Documents and the M&A will apply as if incorporated in this Deed.
- 1.3 This Deed shall be incorporated into [the Purchase Agreement and] the Shareholder Documents as if expressly incorporated into [the Purchase Agreement and] the Shareholder Documents.
- 1.4 [Immediately after the Additional Closing and subject to the terms and conditions of the Purchase Agreement, (1) Schedule I to the Purchase Agreement will be amended to list the New Shareholder, (2) the capitalization table listed in Schedule III to the Purchase Agreement shall be amended to reflect the change of shareholding structure of the Company upon the Additional Closing, and (3) the Company shall update its register of members to reflect the issuance of the Shares to the New Shareholders.]

**2. UNDERTAKINGS**

The New Shareholder confirms that [he/she/it] has received copies of [the Purchase Agreement,] the Shareholder Documents and the M&A, and fully understands and accepts the terms thereof. The New Shareholder hereby covenants and undertakes to the Company who is as trustee for all other persons who are at present or who may hereafter become bound by [the Purchase Agreement,] the Shareholder Documents and the M&A, and to the Company itself, that, upon completion of the [allotment/transfer] of the Shares and subject to [the Purchase Agreement and] the Shareholder Documents, the New Shareholder shall adhere to, observe, perform and be bound by all the duties, burdens and obligations, as provided under [the Purchase Agreement and] the Shareholder Documents to which [he/she/it] shall be a party and all documents expressed in writing to be supplemental or ancillary thereto, in relation to the Shares, and shall be deemed as a “Shareholder”, a “Party”, [an “Investor”], [a “Holder”], [a “Preferred Holder”], [a “Series A/Series B/Series C/Series D Holder”], and [a “Series A-1/Series A-2/Series A-3/Series B/Series C/Series D Investor”], each as defined thereunder, in relation to the Shares, as if [he/she/it] had been an original party to [the Purchase Agreement and] the Shareholder Documents since the date thereof, and be bound by the M&A.

[If the New Shareholder is a natural person and is married on the date of this Deed, such New Shareholder’s spouse shall, concurrently with the execution of this Agreement by the parties hereto, execute and deliver to the Company a spousal consent in substantially the form of Annex A attached hereto (“**Spousal Consent**”). Notwithstanding the execution and delivery thereof, such Spousal Consent shall not be deemed to confer or convey to such New Shareholder’s spouse any rights in such New Shareholder’s Shares or other securities of the Company to be held by the New Shareholder from time to time that do not otherwise exist by operation of law or the agreement of the parties. If any New Shareholder marries (or remarries) after the date of this Deed, such New Shareholder shall, within 30 days thereafter, obtain his or her new spouse’s acknowledgement of, and consent to, the existence and binding effect of all restrictions contained in this Deed, [the Purchase Agreement and] the Shareholder Documents by causing such spouse to execute and deliver a Spousal Consent.]

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For the purpose of the notices and communications required or permitted under [the Purchase Agreement and] the Shareholder Documents, the address of the New Shareholder is as follows, which shall be incorporated in Schedule 2 (*Address for Notices*) of each of the Shareholder Documents:

Address:

Tel:

Fax:

Attention:

Email:

### 3. **ENFORCEABILITY AND GOVERNING LAW**

Each existing Shareholder and the Company shall be entitled to enforce [the Purchase Agreement,] the Shareholder Documents and the M&A against the New Shareholder, and the New Shareholder shall be entitled to all rights and benefits pertaining to the Shares held by it (other than those that are non-assignable) as set forth in [the Purchase Agreement,] the Shareholder Documents and the M&A, in each case as if the New Shareholder had been an original party to [the Purchase Agreement and] the Shareholder Documents since the date thereof.

This Deed shall be governed by and construed in accordance with the laws of Hong Kong, except to the extent that the Companies Law of the Cayman Islands by its terms is applicable.

*[Signature page follows]*

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**IN WITNESS WHEREOF**, this Deed of Adherence has been executed as a deed on the date first above written.

NIO INC.

By: \_\_\_\_\_

Name:

Title:

Director

**[NAME OF NEW SHAREHOLDER]**

By: \_\_\_\_\_

Name:

Title:

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**ANNEX A**  
**FORM OF SPOUSAL CONSENT**

I, [•], spouse of [•], have read and approve of [the Purchase Agreement] and the Shareholder Documents by and among the Company and the parties, including my spouse, listed therein. Capitalized terms used herein without definition shall have the meanings set forth in [the Purchase Agreement] and the Shareholder Documents.

I am aware that [the Purchase Agreement] and the Shareholder Documents contain provisions regarding (i) voting and transfer of shares, and (ii) certain rights of certain other holders of capital stock of the Company upon a sale, transfer, assignment, pledge, encumbrance or other disposition of capital stock which my spouse may own, including any interest I might have therein.

I hereby agree that my interest, if any, in any Shares, securities or other property subject to [the Purchase Agreement] and the Shareholder Documents shall be irrevocably bound by [the Purchase Agreement] and the Shareholder Documents. I further understand and agree that any community property interest I may have in such Shares, securities or other property shall be similarly bound by [the Purchase Agreement] and the Shareholder Documents.

I am aware that the legal, financial and related matters contained in [the Purchase Agreement] and the Shareholder Documents are complex and that I am free to seek independent professional guidance or counsel with respect to this Spousal Consent. I have either sought such guidance or counsel or determined, after reviewing [the Purchase Agreement] and the Shareholder Documents carefully, that I will waive such right.

Dated: [       ]

**[Name of Spouse]**

By: \_\_\_\_\_

MAPLES

Our ref LWP/701714-000007/12834769v2

NIO Inc.  
Building 20, No. 56 AnTuo Road  
Jiading District  
Shanghai, 201804  
People's Republic of China

13 August 2018

Dear Sirs

**NIO Inc.**

We have acted as Cayman Islands legal advisers to NIO Inc. (the “**Company**”) in connection with the Company’s registration statement on Form F-1, including all amendments or supplements thereto (the “**Registration Statement**”), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American depositary shares (the “**ADSs**”) representing the Company’s Class A ordinary shares of par value US\$0.00025 each (the “**Shares**”).

We are furnishing this opinion as Exhibits 5.1, 8.1 and 23.2 to the Registration Statement.

## **1 Documents Reviewed**

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents and such other documents as we have deemed necessary in order to render the opinions below:

- 1.1 The certificate of incorporation of the Company dated 28 November 2014 and the certificates of incorporation on change of name of the Company dated 29 December 2014 and 28 July 2017.
- 1.2 The tenth amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 10 November 2017 (the “**Pre-IPO Memorandum and Articles**”).

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- 1.3 The eleventh amended and restated memorandum and articles of association of the Company as conditionally adopted by a special resolution passed on 10 August 2018 and effective immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO Memorandum and Articles**").
  - 1.4 The unanimous written resolutions of the directors of the Company dated 10 August 2018 (the "**Directors' Resolutions**").
  - 1.5 The unanimous written resolutions of the shareholders of the Company dated on 10 August 2018 (the "**Shareholders' Resolutions**").
  - 1.6 A certificate from a director of the Company, a copy of which is attached hereto (the "**Director's Certificate**").
  - 1.7 A certificate of good standing with respect to the Company issued by the Registrar of Companies dated 10 May 2018 (the "**Certificate of Good Standing**").
  - 1.8 The Registration Statement.

## **2 Assumptions**

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving the following opinions, we have relied (without further verification) upon the completeness and accuracy, as at the date of this opinion letter, of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.
- 2.2 All signatures, initials and seals are genuine.
- 2.3 There is nothing under any law (other than the laws of the Cayman Islands) which would or might affect the opinions set out below.

## **3 Opinions**

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.
- 3.2 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US\$1,000,000 divided into 2,000,000,000 shares, comprising of (i) 2,500,000,000 Class A ordinary shares of a par value of US\$0.00025 each, (ii) 132,030,222 Class B ordinary shares of a par value of US\$0.00025 each (iii) 148,500,000 Class C ordinary shares of a par value of US\$0.00025 each and (iv) 1,219,469,778 shares of a par value of US\$0.00025 each of such class or classes (however designated) as the board of directors may determine in accordance with article 9 of the IPO Memorandum and Articles.

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- 3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the register of members (shareholders).
- 3.4 The statements under the caption “Taxation” in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

#### **4 Qualifications**

In this opinion the phrase “non-assessable” means, with respect to shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings “Enforceability of Civil Liabilities”, “Taxation” and “Legal Matters” and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP



## NEXTEV INC.

## 2015 SHARE INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Board or any of the Committees appointed by the Board to administer the Plan.

(b) "Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person, where "Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person.

(c) "Applicable Laws" means legal requirements relating to the Plan and the Awards under applicable laws, regulations, rules, federal securities laws, state corporate and securities laws, the rules of any applicable stock exchange or national market system, and the laws, regulations, orders or rules of any jurisdiction applicable to the Awards granted to residents therein or the Grantees receiving such Awards.

(d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(e) "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Share, Restricted Share Unit or other right or benefit under the Plan.

(f) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

(g) "Board" means the Board of Directors of the Company.

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(h) “Cause” means, with respect to the termination by the Company or a Related Entity of the Grantee’s Continuous Service, that such termination is for “Cause” as such term is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee’s: (i) performance of any act or failure to perform any act in bad faith and/or to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity (including without limitation of any non-competition obligations of Grantee); or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, or any crime involving fraud, or misrepresentation or violation of applicable securities laws.

(i) “Change in Control” means (as determined by the Administrator acting reasonably) a change in ownership or control of the Company after the Registration Date effected through the direct or indirect acquisition by any Person or related group of Persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by an Affiliate of the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s shareholders which a majority of the Directors who are not Affiliates or associates of the offeror do not recommend such shareholders accept.

(j) “Committee” means any committee composed of members of the Board appointed by the Board to administer the Plan.

(k) “Company” means NEXTEV INC., an exempted company incorporated with limited liability under the laws of the Cayman Islands or any successor corporation that adopts the Plan in connection with a Corporate Transaction.

(l) “Consultant” means any Person (other than an Employee or a Director, solely with respect to rendering services in such Person’s capacity as an Employee or Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(m) “Continuous Service” means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

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(n) “Corporate Transaction” means (as determined by the Administrator acting reasonably) any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company and its Subsidiaries and Affiliates;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a Person or Persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any Person or related group of Persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(o) “Director” means a member of the Board or the board of directors of any Related Entity.

(p) “Disability” means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, “Disability” means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(q) “Dividend Equivalent Right” means a right entitling the Grantee to compensation measured by dividends paid with respect to Ordinary Shares.

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(r) “Drag-Along Event” means a Trade Sale of the Company (as defined in the M&A of the Company) at any time after March 18, 2021 (or other date as otherwise determined by the Company and the relevant shareholders and investors of the Company from time to time), as approved by the holders of at least 75% of the voting power of the then outstanding series A preferred shares of the Company (voting together as a single class and calculated on as-converted basis), which Trade Sale implies the valuation of the Company immediately prior to such offered Trade Sale of not less than US\$3,000,000,000 (or other amount as otherwise determined by the Company and the relevant shareholders and investors of the Company from time to time).

(s) “Employee” means any person, including a Director, who is in the employment of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a Director’s fee by the Company or a Related Entity shall not be sufficient to constitute “employment” by the Company.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(u) “Fair Market Value” means, as of any date, the value of Ordinary Shares determined as follows:

(i) If the Ordinary Shares are traded on a securities exchange, the value shall be deemed to be the security’s closing price on such exchange on the applicable valuation date, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Ordinary Shares are traded over-the-counter, the value shall be deemed to be the closing bid price on the applicable valuation date as reported in The Wall Street Journal or such other source as the Administrator deems reliable; and

(iii) In the absence of an established market for the Ordinary Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith and, to the extent applicable, in compliance with Section 409A of the U.S. Code.

(v) “Grantee” means an Employee, Director or Consultant who receives an Award under the Plan.

(w) “IPO” shall mean the Company’s first firm commitment underwritten public offering of any of its securities (or the securities of a successor corporation) to the general public pursuant to (a) a registration statement filed under the Securities Act of 1933, as amended, or (b) the securities laws applicable to an offering of securities in another jurisdiction pursuant to which such securities will be listed on an internationally recognized securities exchange.

(x) “Incentive Stock Option” shall mean a stock option granted pursuant to the Plan that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the U.S. Code.

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(y) “M&A” means the currently effective memorandum and articles of association of the Company.

(z) “Ordinary Share” means the Company’s ordinary shares, par value US\$0.00025 per share.

(aa) “Option” means an option to purchase Shares pursuant to an Award Agreement granted under the Plan. Options granted to employees who are U.S. taxpayers may either qualify as Incentive Stock Options or as options that do not qualify as Incentive Stock Options.

(bb) “Parent” means any company (other than the Company) in an unbroken chain of companies ending with the Company, if each of the companies other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(cc) “Person” means any individual, corporation, partnership, limited partnership, association, limited liability company, firm, trust, estate or other enterprise or entity

(dd) “Plan” means this 2015 Stock Incentive Plan.

(ee) “Registration Date” means the first to occur of (i) the closing of the IPO; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

(ff) “Related Entity” means any Parent or Subsidiary or Affiliate of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or a Subsidiary or an Affiliate of the Company holds a substantial ownership interest, directly or indirectly.

(gg) “Replaced” means that pursuant to a Corporate Transaction the Award is replaced with a comparable share or stock award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(hh) “Restricted Share” means a Share issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

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(ii) "Restricted Share Units" means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(jj) "SAR" means a share appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Ordinary Shares.

(kk) "Share" means an Ordinary Share of the Company.

(ll) "Spin-off Transaction" means a distribution by the Company to its shareholders of all or any portion of the securities of any Subsidiary of the Company.

(mm) "Subsidiary" means any company (other than the Company) in an unbroken chain of companies beginning with the Company, if each of the companies other than the last company in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain, by equity ownership or by contract. A company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(nn) "U.S. Code" means the U.S. Internal Revenue Code of 1986, as amended.

### 3. Shares Subject to the Plan.

(a) Subject to the provisions of Section 11 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards is 46,264,378 Shares. The Shares to be issued pursuant to Awards shall be authorized, but unissued, or reacquired Ordinary Shares. Subject to the provisions of Section 11 below, the maximum number of Shares which may be subject to Options granted as Incentive Stock Options is 46,264,378 Shares.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such Shares shall become available for future grant under the Plan. To the extent not prohibited by the Applicable Law and the listing requirements of the applicable stock exchange or national market system on which the Ordinary Shares are traded, any Shares covered by an Award which are surrendered (i) in payment of the Award exercise or purchase price or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Award shall be deemed not to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan, unless otherwise determined by the Administrator.

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4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration. The Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in accordance with the Applicable Laws and the M&A. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more officers to grant such Awards and may limit such authority as the Board determines from time to time.

(ii) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;
- (ii) to determine whether and to what extent Awards are granted hereunder;
- (iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;
- (iv) to approve forms of Award Agreements for use under the Plan;
- (v) to determine the terms and conditions of any Award granted hereunder (including the vesting schedule set forth in the Notice of Stock Option Award);
- (vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;
- (vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan; and
- (viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

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(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or Employees of the Company or a Related Entity, members of the Board and any Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such Person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such Person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Awards may be granted to Employees, Directors and Consultants. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Shares, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. Each Award shall be subject to the terms of an Award Agreement approved by the Administrator and, if applicable, a subplan established pursuant to Section 25, which may provide that certain provisions of the Plan referenced in such Award Agreement or subplan shall not apply to such Award. The performance criteria established by the Administrator may include, without limitation, any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. Notwithstanding anything to the contrary provided hereof, to the extent permitted under Applicable Laws, the Administrator shall be entitled to require each Grantee to, as one precondition to being granted each Award, enter into a non-competition agreement with the Company or Related Entity, under which the Grantee shall be obligated to undertake certain non-competition obligations during the term of the employment with the Company or Related Entity and a certain reasonable period after the employment with the Company, and the Company shall have the right to waive Grantee's such non-compete obligation upon its own discretion and decision, subject to the non-competition agreement.



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(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, share purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award (other than an Option held by a U.S. taxpayer), satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(g) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award, subject to compliance with the Applicable Laws. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(h) Term of Award. The term of each Award shall be the term stated in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award. In the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the term of the Incentive Stock Option will not be longer than five years from the date of grant.

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(i) Transferability of Awards. Subject to the Applicable Laws, Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(j) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be determined by the Administrator, and in the case of Options or SARs granted to U.S. taxpayers, shall not be less than 100% of the Fair Market Value of a Share as of the date of grant. In addition, in the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) Shares representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(c), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) cash;

(ii) check;

(iii) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

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(iv) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, withholding of Shares subject to the Award having a Fair Market Value on the date of exercise equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(v) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other Person until such Grantee or other Person has made arrangements acceptable to the Administrator for the satisfaction of any income and employment tax withholding obligations under any Applicable Laws. The Grantee shall be responsible for all taxes associated with the receipt, vest, exercise, transfer and disposal of the Awards and the Shares. Upon exercise of an Award, the Company and/or the Related Entity which is an employer of the Grantee shall have the right to withhold or collect from Grantee an amount sufficient to satisfy such tax obligations.

#### 8. Exercise of Award.

##### (a) Procedure for Exercise: Rights as a Shareholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the Person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

##### (b) Exercise of Award Following Termination of Continuous Service.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

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(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

(c) No Exercise in Violation of Applicable Law.

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award shall not be exercised if the Administrator (in its sole discretion) determines that an exercise would violate any Applicable Laws.

(d) Restrictions on Exercise.

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award may not be exercised before the consummation of (i) an IPO of the Company, (ii) a Corporate Transaction, or (iii) the Change in Control, except as permitted by the applicable Award Agreement or otherwise as determined by the Administrator.

9. Conditions Upon Issuance of Shares.

(a) Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Award, the Company may require the Person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

(c) As a condition to the exercise of an Award, the applicable Award Agreement may provide for Grantee to grant a power of attorney to the Board or any Person designated by the Board to exercise the voting rights with respect to the Shares and the Company may require the Person exercising such Award to acknowledge and agree to be bound by the provisions of the currently effective M&A, shareholders agreement, right of first refusal and co-sale agreement and other documents of the Company in relation to the Shares (if any), as if the Grantee is a holder of Ordinary Shares thereunder.

10. Repurchase Rights. Except as provided in the applicable Award Agreement or subplan, the Company shall be entitled to repurchase from Grantee all vested options and Shares upon termination of the Grantee's Continuous Service with Cause. The Award Agreement shall (or may, with respect to Awards granted or issued to Officers, Directors or Consultants) provide that:

(a) the consideration payable for the vested Options or Shares upon exercise of such repurchase right shall be made in cash or by cancellation of purchase money indebtedness; and

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(b) the amount of the consideration payable for the Shares or vested Options shall be at their original purchase price paid by the Grantee.

11. Adjustments Upon Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be equitably adjusted for (i) any increase or decrease in the number of issued Shares resulting from a share split, reverse share split, share dividend, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Ordinary Shares including a corporate merger, consolidation, acquisition of property or equity, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award. In the event of a Spin-off Transaction, the Administrator may in its discretion make such adjustments and take such other action as it deems appropriate with respect to outstanding Awards under the Plan, including but not limited to: (i) adjustments to the number and kind of Shares, the exercise or purchase price per Share and the vesting periods of outstanding Awards, (ii) prohibit the exercise of Awards during certain periods of time prior to the consummation of the Spin-off Transaction, or (iii) the substitution, exchange or grant of Awards to purchase securities of the Subsidiary; provided that the Administrator shall not be obligated to make any such adjustments or take any such action hereunder.

12. Corporate Transactions and Changes in Control.

(a) Termination of Award to the Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control.

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction, for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. The portion of the Award that is not Assumed shall terminate under subsection (a) of this Section 11 to the extent not exercised prior to the consummation of such Corporate Transaction.

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(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares at the time represented by such Award, provided that the Grantee's Continuous Service has not terminated prior to such date.

13. Effective Date and Term of Plan. The Plan shall become effective upon the later to occur of its adoption by the Board or its approval by the shareholders of the Company. The Plan shall continue in effect for a term of ten (10) years after the date of adoption, unless sooner terminated. Subject to Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

14. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by Applicable Laws, or if such amendment would change any of the provisions of Section 4(b)(vi) or this Section 14(a).

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12, above) shall adversely affect any rights under Awards already granted to a Grantee.

15. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

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17. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

18. Vesting Schedule. Except as unanimously approved by the Board, Options to be issued to the Grantees under the Plan shall be subject to a minimum four (4) year vesting schedule calling for vesting no faster than the following, counting from the applicable grant date or vesting commencement date (as determined by the Administrator) with respect to the total issued Options: the Option representing 25% of the Shares shall vest at the end of the first twelve (12) months commencing from the Vesting Commencement Date, with remaining portions vesting in equal monthly installments over the next thirty-six (36) months.

19. Drag-Along Events. Except as provided in the applicable Award Agreement or subplan, in the event of a Drag-Along Event, the Grantees who hold any Shares upon exercise of the Award shall sell, transfer, convey or assign all of their Shares pursuant to, and so as to give effect to, the Drag-Along Event, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to transfer, sell, convey and assign his/her Shares and to do and carry out all acts and to execute all documents that are necessary or advisable to complete the Drag-Along Event.

20. IPO. In the case of a IPO, the Grantees shall enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company for the purpose of the IPO, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company and to do and carry out all the acts and to execute all the documents that are necessary or advisable to complete the IPO.

21. Service with Competitor. Notwithstanding Section 8(b), and except as provided in the applicable Award Agreement or subplan or as otherwise determined by the Administrator, in the event a Grantee serves as the director, officer, employee (whether full time or part time), shareholder, representative or agent of a competitor of the Company and the Related Entities (the "Service with Competitor") after termination of the Grantee's Continuous Service, with or without Cause, excluding any passive investment by way of shares or other securities of not more than 5% of the total issued share capital of any company, the Grantee's right to exercise the Option shall terminate immediately upon the date of the Service with Competitor, except as otherwise determined by the Administrator, and the Company shall have rights to repurchase all vested Awards and exercised Shares held by the Grantee at a discount price determined by the Administrator.

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22. Unfunded Obligation. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

23. Entire Plan. This Plan, the individual Award Agreements and any other document, together with all the exhibits hereto and thereto, constitutes and contains the entire stock incentive plan and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof (including any and all of the stock incentive plans of the Company before the date of this Plan).

24. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

25. Modifications and Subplans. Without amending this Plan, the Administrator may grant awards to eligible persons on such terms and conditions different from those specified in this Plan as may in the judgment of the Administrator be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Administration may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the Applicable Laws or market practices of the countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.



## NEXTEV INC.

## 2016 SHARE INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Board or any of the Committees appointed by the Board to administer the Plan.

(b) "Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person, where "Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person.

(c) "Applicable Laws" means legal requirements relating to the Plan and the Awards under applicable laws, regulations, rules, federal securities laws, state corporate and securities laws, the rules of any applicable stock exchange or national market system, and the laws, regulations, orders or rules of any jurisdiction applicable to the Awards granted to residents therein or the Grantees receiving such Awards.

(d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(e) "Award" means an Option, SAR, Dividend Equivalent Right, Restricted Share, Restricted Share Unit or other right or benefit under the Plan.

(f) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

(g) "Board" means the Board of Directors of the Company.

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(h) “Cause” means, with respect to the termination by the Company or a Related Entity of the Grantee’s Continuous Service, that such termination is for “Cause” as such term is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee’s: (i) performance of any act or failure to perform any act in bad faith and/or to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity (including without limitation of any non-competition obligations of Grantee); or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, or any crime involving fraud, or misrepresentation or violation of applicable securities laws.

(i) “Change in Control” means (as determined by the Administrator acting reasonably) a change in ownership or control of the Company after the Registration Date effected through the direct or indirect acquisition by any Person or related group of Persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by an Affiliate of the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s shareholders which a majority of the Directors who are not Affiliates or associates of the offeror do not recommend such shareholders accept.

(j) “Committee” means any committee composed of members of the Board appointed by the Board to administer the Plan.

(k) “Company” means NEXTEV INC., an exempted company incorporated with limited liability under the laws of the Cayman Islands or any successor corporation that adopts the Plan in connection with a Corporate Transaction.

(l) “Consultant” means any Person (other than an Employee or a Director, solely with respect to rendering services in such Person’s capacity as an Employee or Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(m) “Continuous Service” means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

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(n) “Corporate Transaction” means (as determined by the Administrator acting reasonably) any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company and its Subsidiaries and Affiliates;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a Person or Persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any Person or related group of Persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(o) “Director” means a member of the Board or the board of directors of any Related Entity.

(p) “Disability” means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, “Disability” means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(q) “Dividend Equivalent Right” means a right entitling the Grantee to compensation measured by dividends paid with respect to Ordinary Shares.

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(r) “Drag-Along Event” means an Approved Sale of the Company, as defined in the M&A of the Company.

(s) “Employee” means any person, including a Director, who is in the employment of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a Director’s fee by the Company or a Related Entity shall not be sufficient to constitute “employment” by the Company.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(u) “Fair Market Value” means, as of any date, the value of Ordinary Shares determined as follows:

(i) If the Ordinary Shares are traded on a securities exchange, the value shall be deemed to be the security’s closing price on such exchange on the applicable valuation date, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Ordinary Shares are traded over-the-counter, the value shall be deemed to be the closing bid price on the applicable valuation date as reported in The Wall Street Journal or such other source as the Administrator deems reliable; and

(iii) In the absence of an established market for the Ordinary Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith and, to the extent applicable, in compliance with Section 409A of the U.S. Code.

(v) “Grantee” means an Employee, Director or Consultant who receives an Award under the Plan.

(w) “IPO” shall mean the Company’s first firm commitment underwritten public offering of any of its securities (or the securities of a successor corporation) to the general public pursuant to (a) a registration statement filed under the Securities Act of 1933, as amended, or (b) the securities laws applicable to an offering of securities in another jurisdiction pursuant to which such securities will be listed on an internationally recognized securities exchange.

(x) “Incentive Stock Option” shall mean a stock option granted pursuant to the Plan that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the U.S. Code.

(y) “M&A” means the currently effective memorandum and articles of association of the Company.

(z) “Ordinary Share” means the Company’s ordinary shares, par value US\$0.00025 per share.

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(aa) “Option” means an option to purchase Shares pursuant to an Award Agreement granted under the Plan. Options granted to employees who are U.S. taxpayers may either qualify as Incentive Stock Options or as options that do not qualify as Incentive Stock Options.

(bb) “Parent” means any company (other than the Company) in an unbroken chain of companies ending with the Company, if each of the companies other than the Company owns or Controls stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(cc) “Person” means any individual, corporation, partnership, limited partnership, association, limited liability company, firm, trust, estate or other enterprise or entity

(dd) “Plan” means this 2016 Stock Incentive Plan.

(ee) “Registration Date” means the first to occur of (i) the closing of the IPO; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

(ff) “Related Entity” means any Parent or Subsidiary or Affiliate of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or a Subsidiary or an Affiliate of the Company holds a substantial ownership interest, directly or indirectly.

(gg) “Replaced” means that pursuant to a Corporate Transaction the Award is replaced with a comparable share or stock award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(hh) “Restricted Share” means a Share issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

(ii) “Restricted Share Units” means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

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(jj) “SAR” means a share appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Ordinary Shares.

(kk) “Share” means an Ordinary Share of the Company.

(ll) “Spin-off Transaction” means a distribution by the Company to its shareholders of all or any portion of the securities of any Subsidiary of the Company.

(mm) “Subsidiary” means any company (other than the Company) in an unbroken chain of companies beginning with the Company, if each of the companies other than the last company in the unbroken chain owns or Controls stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain, by equity ownership or by contract. A company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(nn) “U.S. Code” means the U.S. Internal Revenue Code of 1986, as amended.

### 3. Shares Subject to the Plan.

(a) The Shares to be issued pursuant to the Awards under this Plan shall be authorized, but unissued, or reacquired Ordinary Shares. Subject to the provisions of Section 11 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards is 18,000,000 Shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions).

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such Shares shall become available for future grant under the Plan. To the extent not prohibited by the Applicable Law and the listing requirements of the applicable stock exchange or national market system on which the Ordinary Shares are traded, any Shares covered by an Award which are surrendered (i) in payment of the Award exercise or purchase price or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Award shall be deemed not to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan, unless otherwise determined by the Administrator.

### 4. Administration of the Plan.

#### (a) Plan Administrator.

(i) Administration. The Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in accordance with the Applicable Laws and the M&A. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more officers or directors to grant such Awards and may limit such authority as the Board determines from time to time.

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(ii) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws and approved by the Administrator.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;
- (ii) to determine whether and to what extent Awards are granted hereunder;
- (iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;
- (iv) to approve forms of Award Agreements for use under the Plan;
- (v) to determine the terms and conditions of any Award granted hereunder (including the vesting schedule set forth in the Notice of Stock Option Award);
- (vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;
- (vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan; and
- (viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or Employees of the Company or a Related Entity, members of the Board and any Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such Person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such Person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

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5. Eligibility. Awards may be granted to Employees, Directors and Consultants. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Shares, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. Each Award shall be subject to the terms of an Award Agreement approved by the Administrator and, if applicable, a subplan established pursuant to Section 25, which may provide that certain provisions of the Plan referenced in such Award Agreement or subplan shall not apply to such Award. The performance criteria established by the Administrator may include, without limitation, any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. Notwithstanding anything to the contrary provided hereof, to the extent permitted under Applicable Laws, the Administrator shall be entitled to require each Grantee to, as one precondition to being granted each Award, enter into a non-competition agreement with the Company or Related Entity, under which the Grantee shall be obligated to undertake certain non-competition obligations during the term of the employment with the Company or Related Entity and a certain reasonable period after the employment with the Company, and the Company shall have the right to waive Grantee's such non-compete obligation upon its own discretion and decision, subject to the non-competition agreement.



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(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, share purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award (other than an Award held by a U.S. taxpayer), satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(g) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award, subject to compliance with the Applicable Laws. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(h) Term of Award. The term of each Award shall be the term stated in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award. In the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the term of the Incentive Stock Option will not be longer than five years from the date of grant.

(i) Transferability of Awards. Subject to the Applicable Laws, Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

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(j) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be determined by the Administrator, and in the case of Options or SARs granted to U.S. taxpayers, shall not be less than 100% of the Fair Market Value of a Share as of the date of grant. In addition, in the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) Shares representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6 above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) cash;

(ii) check;

(iii) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(iv) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, withholding of Shares subject to the Award having a Fair Market Value on the date of exercise equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(v) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

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(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other Person until such Grantee or other Person has made arrangements acceptable to the Administrator for the satisfaction of any income and employment tax withholding obligations under any Applicable Laws. The Grantee shall be responsible for all taxes associated with the receipt, vest, exercise, transfer and disposal of the Awards and the Shares. Upon exercise of an Award, the Company and/or the Related Entity which is an employer of the Grantee shall have the right to withhold or collect from Grantee an amount sufficient to satisfy such tax obligations.

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Shareholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the Person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(v).

(b) Exercise of Award Following Termination of Continuous Service.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

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(c) No Exercise in Violation of Applicable Law.

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award shall not be exercised if the Administrator (in its sole discretion) determines that an exercise would violate any Applicable Laws.

(d) Restrictions on Exercise.

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award may not be exercised before the consummation of (i) an IPO of the Company, (ii) a Corporate Transaction, or (iii) the Change in Control, except as permitted by the applicable Award Agreement or otherwise as determined by the Administrator.

9. Conditions Upon Issuance of Shares.

(a) Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws and the relevant Award Agreement, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Award, the Company may require the Person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

(c) As a condition to the exercise of an Award, the applicable Award Agreement may provide for Grantee to grant a power of attorney to the Board or any Person designated by the Board to exercise the voting rights with respect to the Shares and the Company may require the Person exercising such Award to acknowledge and agree to be bound by the provisions of the currently effective M&A, shareholders agreement, right of first refusal and co-sale agreement and other documents of the Company in relation to the Shares (if any), as if the Grantee is a holder of Ordinary Shares thereunder.

10. Repurchase Rights. Except as provided in the applicable Award Agreement or the subplan, upon termination of a Grantee's Continuous Service for any reason, the Company shall be entitled to repurchase from the Grantee all or any portion of any vested Awards and the Shares obtained by the Grantee upon exercise of any Awards. The Award Agreement shall (or may, with respect to Awards granted or issued to Officers, Directors or Consultants) provide that:

(a) the consideration payable for such vested Awards or such Shares upon exercise of such repurchase right shall be made in cash or by cancellation of purchase money indebtedness; and

(b) the amount of the consideration payable for such Shares or such vested Awards shall be as determined by the Administrator. The Grantee shall cooperate with the Company to complete and give effect to such repurchase.

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11. Adjustments Upon Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be equitably adjusted for (i) any increase or decrease in the number of issued Shares resulting from a share split, reverse share split, share dividend, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Ordinary Shares including a corporate merger, consolidation, acquisition of property or equity, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award. In the event of a Spin-off Transaction, the Administrator may in its discretion make such adjustments and take such other action as it deems appropriate with respect to outstanding Awards under the Plan, including but not limited to: (i) adjustments to the number and kind of Shares, the exercise or purchase price per Share and the vesting periods of outstanding Awards, (ii) prohibit the exercise of Awards during certain periods of time prior to the consummation of the Spin-off Transaction, or (iii) the substitution, exchange or grant of Awards to purchase securities of the Subsidiary; provided that the Administrator shall not be obligated to make any such adjustments or take any such action hereunder.

12. Corporate Transactions and Changes in Control.

(a) Termination of Award to the Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed or Replaced in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control.

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction, for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. The portion of the Award that is not Assumed or Replaced shall terminate under subsection (a) of this Section to the extent not exercised prior to the consummation of such Corporate Transaction.

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(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares at the time represented by such Award, provided that the Grantee's Continuous Service has not terminated prior to such date.

13. Effective Date and Term of Plan. The Plan shall become effective upon the later to occur of its adoption by the Board or its approval by the shareholders of the Company. The Plan shall continue in effect for a term of ten (10) years after the date of adoption, unless sooner terminated or extended before expiration. Subject to Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

14. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by Applicable Laws, or if such amendment would change any of the provisions of Section 4(b)(vi) or this Section 14(a).

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12, above) shall adversely affect any rights under Awards already granted to a Grantee.

15. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

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17. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

18. Vesting Schedule. Except as approved by the Administrator, Options to be issued to the Grantees under the Plan shall be subject to a minimum four (4) year vesting schedule calling for vesting no faster than the following, counting from the applicable grant date or vesting commencement date (as determined by the Administrator) with respect to the total issued Options: the Option representing 25% of the Shares shall vest at the end of the first twelve (12) months commencing from the Vesting Commencement Date, with remaining portions vesting in equal monthly installments over the next thirty-six (36) months.

19. Drag-Along Events. Except as provided in the applicable Award Agreement or subplan, in the event of a Drag-Along Event, the Grantees who hold any Shares upon exercise of the Award shall sell, transfer, convey or assign all of their Shares pursuant to, and so as to give effect to, the Drag-Along Event, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to transfer, sell, convey and assign his/her Shares and to do and carry out all acts and to execute all documents that are necessary or advisable to complete the Drag-Along Event.

20. IPO. In the case of a IPO, the Grantees shall enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company for the purpose of the IPO, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company and to do and carry out all the acts and to execute all the documents that are necessary or advisable to complete the IPO.

21. Service with Competitor. Notwithstanding Section 8(b), and except as provided in the applicable Award Agreement or subplan or as otherwise determined by the Administrator, in the event a Grantee serves as the director, officer, employee (whether full time or part time), shareholder, representative or agent of a competitor of the Company and the Related Entities (the "Service with Competitor") after termination of the Grantee's Continuous Service, with or without Cause, excluding any passive investment by way of shares or other securities of not more than 5% of the total issued share capital of any company, the Grantee's right to exercise the Awards shall terminate immediately upon the date of the Service with Competitor, except as otherwise determined by the Administrator, and the Company shall have rights to repurchase all vested Awards and exercised Shares held by the Grantee at a discount price determined by the Administrator.

22. Unfunded Obligation. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

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23. Entire Plan. This Plan, the individual Award Agreements and any other document, together with all the exhibits hereto and thereto, constitute and contain the entire stock incentive plan and understanding of the parties with respect to the subject matter hereof and supersede any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof.

24. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

25. Modifications and Subplans. Without amending this Plan, the Administrator may grant awards to eligible persons on such terms and conditions different from those specified in this Plan as may in the judgment of the Administrator be necessary to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Administrator may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the Applicable Laws or market practices of the countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.



**NIO Inc.**  
**2017 SHARE INCENTIVE PLAN**  
**2017年股权激励计划**

1. **Purposes of the Plan.** The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

计划宗旨。本2017年股权激励计划旨在吸引、留住市场最优人才，为公司雇员、董事和顾问提供进一步的激励，促进公司业务发展。

2. **Definitions.** The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

定义。除非授予协议另作定义，否则本计划及授予协议中的术语将使用下列定义。如果授予协议另外定义了某术语，则该等定义将取代本第二条之规定。

(a) "**Administrator**" means the Board or any of the Committees appointed by the Board to administer the Plan.

“管理人”指董事会或董事会指定的管理本计划的任何委员会。

(b) "**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person, where "**Control**" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person.

“关联方”指针对任何特定人士，直接或间接控制该等特定人士，被该等特定人士控制或与该等特定人士处于共同控制之下的任何人士。“控制”特定人士，指通过持有有表决权的股份、合同约定或其他方式，直接或间接控制该等人士业务、管理和政策的权力或权限。无论是否被行使，一旦拥有控制该等人士股东大会或股东会超过百分之五十（50%）有表决权的受益所有权或权力，或拥有任命该等人士董事会中多数成员的权力，该等的权力或职权应明确视为控制。

(c) "**Applicable Laws**" means legal requirements relating to the Plan and the Awards under applicable laws, regulations, rules, federal securities laws, state corporate and securities laws, the rules of any applicable stock exchange or national market system, and the laws, regulations, orders or rules of any jurisdiction applicable to the Awards granted to residents therein or the Grantees receiving such Awards.

“适用法律”指与本计划和授予协议相关的法律要求，包括：适用的法律、法规、规章、联邦证券法、州立公司法和州立证券法，任何证券交易所或全国性交易体系的规则，和其他任何司法管辖区内适用于被授予的授权或被授权人的法律、法规、法令或规定。

(d) “Assumed” means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

“承担”指当公司整体出售发生时，以下其一：(i)公司明确表示承担授权的义务，或(ii)公司整体出售涉及的继受方或其母公司明确表示承担授权对应的合同义务（而不仅是迫于法律的强制实施），该承担可以在适当调整继受方或其母公司有关授权的股份的数量和类型以及相关行权或者购买价格的基础上，但该调整至少应保持根据相关授权文书公司整体出售发生时的授权的补偿要件。

(e) “Award” means an Option, SAR, Dividend Equivalent Right, Restricted Share, Restricted Share Unit or other right or benefit under the Plan.

“授权”指在本计划项下对期权、股份增值权、股息对等权利、受限股份、受限股份单位或其它权利或利益的授予。

(f) “Award Agreement” means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

“授予协议”指公司和被授权人签署的、约定授权事项的书面协议及其后续修订版本。

(g) “Board” means the Board of Directors of the Company.

“董事会”指本公司的董事会。

(h) “Cause” means, with respect to the termination by the Company or a Related Entity of the Grantee’s Continuous Service, that such termination is for “Cause” as such term is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee’s: (i) performance of any act or failure to perform any act in bad faith and/or to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity (including without limitation of any non-competition obligations of Grantee); or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, or any crime involving fraud, or misrepresentation or violation of applicable securities laws.

“事由”指公司或关联实体终止被授权人的持续任职的原因。事由可以是被授权人与公司或者关联实体签署的届时有效的书面协议所明确定义的事由，或者，如果没有此类届时有效的书面协议与定义，根据管理人的决定，可以是被授权人引起的下列原因：(i)恶意作为或不作为，和/或其作为或不作为导致公司或关联实体的损失；(ii)对公司或关联实体不忠，或作出故意不当行为，或实质性违反与公司或关联实体签定的协议（包括但不限于被授权人的竞业禁止义务）；或(iii)犯有涉及不忠、背信或对任何人士有生理伤害或精神伤害的犯罪行为，或涉及欺诈或虚假陈述或违反适用证券法的犯罪行为。

(i) “Change in Control” means (as determined by the Administrator acting reasonably) a change in ownership or control of the Company after the Registration Date effected through the direct or indirect acquisition by any Person or related group of Persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by an Affiliate of the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s shareholders which a majority of the Directors who are not Affiliates or associates of the offeror do not recommend such shareholders accept.

“控制权变更”指（由管理人经合理行为决定的）因下列交易而导致在公司登记日后发生的所有权或控制权变更：任何人士或该等人士的相关集团（由公司、或公司发起的员工福利计划、或公司关联方进行的收购除外）通过直接向公司股东提出收购要约或换股要约，要求直接或间接收购公司百分之五十（50%）以上的有表决权的已发行股份，而多数非要约方关联方或合作方的董事均不建议公司股东接受该等收购要约或换股要约。

(j) “Committee” means any committee composed of members of the Board appointed by the Board to administer the Plan.

“委员会”指任何由董事会指定的董事会成员组成的管理本计划的委员会。

(k) “Company” means NIO Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands or any successor corporation that adopts the Plan in connection with a Corporate Transaction.

“公司”指NIO Inc.，一家根据开曼法律成立的有限责任公司，或者适用本计划的公司整体出售的继受方。

(l) “Consultant” means any Person (other than an Employee or a Director, solely with respect to rendering services in such Person’s capacity as an Employee or Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

“顾问”指由公司或关联实体聘用的，向公司或关联实体提供顾问或咨询服务的任何人士（雇员或董事除外，该等除外仅针对该等人士以雇员或董事身份提供服务的情况）。

(m) “Continuous Service” means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

“持续任职”指以雇员、董事或顾问身份向公司或关联实体提供的服务未中断或未终止。如果根据其所在管辖地法律，非经事先通知不得有效终止任职的，雇员、董事或顾问的持续任职仍应当自其实际终止向公司或关联实体提供服务之日止，而不考虑其适用法律下终止任职所需满足的通知期限。如果持续任职实际终止，或被授权人供职的对象不再为关联实体，那么被授权人的持续任职应被视为终止。在下列情况下，持续任职不得被视为中断：(i)经批准的请假；(ii)雇员、董事或顾问，在公司、任一关联实体或任一继受者间的调任；或(iii)职务变化，但仍以雇员、董事或顾问的身份继续供职于公司或关联实体（但授予协议另有规定的除外）。经批准的请假包括病假、服役假或任何其它经批准的事假。

(n) “Corporate Transaction” means (as determined by the Administrator acting reasonably) any of the following transactions:

“公司整体出售”指（由管理人经合理行为决定的）任何下述交易：

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

非以公司作为继存方的并购或合并，但以改变公司注册地为主要目的的交易除外；

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company and its Subsidiaries and Affiliates;

出售、转让和以其它方式处分公司全部或实质性的全部资产；

(iii) the complete liquidation or dissolution of the Company;

公司完全清算或解散；

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a Person or Persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

以公司为继存方的任何反向收购或一系列以反向收购告终的相关交易（包括但不限于后附反向收购的要约收购），但是 (A) 在该等收购之前已发行的普通股，凭借该等收购转换或交换为其他财产的（无论证券、现金或其他形式），或 (B) 该等收购前公司百分之五十（50%）以上的有表决权的已发行股份转让给在收购交易前的原持有人以外的一人或数人，但管理人认为其构成公司整体出售的除外；或

(v) acquisition in a single or series of related transactions by any Person or related group of Persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

任何人士或该等人士的相关集团（公司或公司发起的员工福利计划除外）通过单独或系列的相关交易，购买公司百分之五十（50%）以上的有表决权的已发行股份，但管理人认为其构成公司整体出售的相关交易除外。

(o) “Director” means a member of the Board or the board of directors of any Related Entity.

“董事”指董事会成员或任何关联实体的董事会董事。

(p) “Disability” means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, “Disability” means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

“残障”应当具有公司或被授权人供职的关联实体的长期残障政策中的定义，而不论该政策是否覆盖被授权人。如果公司或被授权人供职的关联实体尚未制定的长期残障政策，“残障”指经医学鉴定被授权人生理或心理损害而无法履行被授权人职务职责且持续九十（90）天及以上。除非被授权人向管理人出示充分的损害证明，且满足管理人的自由裁量，否则被授权人不应被视为残障。

(q) “Dividend Equivalent Right” means a right entitling the Grantee to compensation measured by dividends paid with respect to Ordinary Shares.

“股息对等权利”指被授权人有权以获得普通股股息的形式要求支付补偿金的权利。

(r) “Drag-Along Event” means an Approved Sale of the Company, as defined in the M&A of the Company.

“领售权交易”指如公司章程中定义的公司被批准的出售交易。

(s) “Employee” means any person, including a Director, who is in the employment of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a Director’s fee by the Company or a Related Entity shall not be sufficient to constitute “employment” by the Company.

“雇员”指受雇于公司或关联实体的任何人士（包括董事），且该等人士应当受制于公司或关联实体对工作内容和工作方式的指示和控制。公司或关联实体向董事支付费用，不应被视为足以证明公司对其存在雇佣关系。

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

“交易法”指《1934美国证券交易法》及其后续修订。

(u) “Fair Market Value” means, as of any date, the value of Ordinary Shares determined as follows:

“公平市场价值”指在任何日期根据以下方式确定的普通股的价值：

(i) If the Ordinary Shares are traded on a securities exchange, the value shall be deemed to be the security’s closing price on such exchange on the applicable valuation date, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

如果普通股在证券交易所进行交易，则公平市场价值应为该股份在该等证券交易所可适用的估值日的收盘价，收盘价以《华尔街日报》或管理人认为可以信赖的其它来源的报道为准；或

(ii) If the Ordinary Shares are traded over-the-counter, the value shall be deemed to be the closing bid price on the applicable valuation date as reported in The Wall Street Journal or such other source as the Administrator deems reliable; and

如果普通股在场外交易市场进行交易，则公平市场价值应为可适用的估值日的收盘价，收盘价以《华尔街日报》或管理人认为可以信赖的其它来源的报道为准；或

(iii) In the absence of an established market for the Ordinary Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith and, to the extent applicable, in compliance with Section 409A of the U.S. Code.

如果普通股尚不存在(i)和(ii)款的交易形式，股份的公平市场价值由管理人根据善意确定，且（如适用）符合美国法令409A节。

(v) “Grantee” means an Employee, Director or Consultant who receives an Award under the Plan.

“被授权人”指按本计划获得授权的雇员、董事或顾问。

(w) “IPO” shall mean the Company’s first firm commitment underwritten public offering of any of its securities (or the securities of a successor corporation) to the general public pursuant to (a) a registration statement filed under the Securities Act of 1933, as amended, or (b) the securities laws applicable to an offering of securities in another jurisdiction pursuant to which such securities will be listed on an internationally recognized securities exchange.

“首次公开发行”指公司(a)根据1933年证券法案及其后续修订进行股份注册上市申请书备案，或 (b) 如果股份将在其他国际认可的证券交易所上市，根据拟挂牌的证券交易所所在管辖地对拟发行股份适用的证券法律，向公众首次承诺公开发行承销其任何股份（或继受公司的股份）。

(x) “Incentive Stock Option” shall mean a stock option granted pursuant to the Plan that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the U.S. Code.

“股权激励期权”指按照本计划授予的股权期权，该期权的条款内容可以被认定或者有意被认定为美国法令 S422所指的股权激励期权。

(y) “M&A” means the currently effective memorandum and articles of association of the Company.

“章程”指届时有效的公司章程。

(z) “Ordinary Share” means the Company’s ordinary shares, par value US\$0.00025 per share.

“普通股”指每股面值为0.00025美元的公司的普通股。

(aa) “Option” means an option to purchase Shares pursuant to an Award Agreement granted under the Plan. Options granted to employees who are U.S. taxpayers may either qualify as Incentive Stock Options or as options that do not qualify as Incentive Stock Options.

“期权”指在本计划项下，根据授予协议授予的购买股份的选择权。向作为美国纳税居民的雇员授予的期权可能被认定为股权激励期权，也可能无法被认定为股权激励期权。

(bb) “Parent” means any company (other than the Company) in an unbroken chain of companies ending with the Company, if each of the companies other than the Company owns or Controls stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain. A company that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

“母公司”指在以本公司为最末端的连续公司链中的任何公司（本公司除外），且该公司（本公司除外）拥有该公司链中某一家公司百分之五十（50%）以上的有表决权的股份。任何公司在本计划正式通过后达到母公司的标准的，应当自达到标准之日起被视为母公司。

(cc) “Person” means any individual, corporation, partnership, limited partnership, association, limited liability company, firm, trust, estate or other enterprise or entity.

“人士”指任何个人、公司、合伙企业、有限合伙企业、独资企业、联合企业、有限责任公司、公司、信托、不动产或任何其他企业或实体。

(dd) “Plan” means this 2017 Stock Incentive Plan.

“计划”指本2017年股权激励计划。

(ee) “Registration Date” means the first to occur of (i) the closing of the IPO; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

“登记日”指下列事件较早发生的日期：(i)首次公开发行的交割日；和(ii)公司整体出售完成之日，如果根据1933年证券法案及其后续修订备案和宣布生效的股份注册上市申请书要求，在公司整体出售之日或之前，公司整体出售的继受方（或其母公司）应当向公众出售其可以发行的同一类别股份的话。

(ff) “Related Entity” means any Parent or Subsidiary or Affiliate of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or a Subsidiary or an Affiliate of the Company holds a substantial ownership interest, directly or indirectly.

“关联实体”指本公司的任何母公司、或子公司、或关联方、以及任何本公司、母公司、子公司或关联方直接或间接持有实质性所有权利益的任何企业、公司、合伙、有限责任公司或其他实体。

(gg) “Replaced” means that pursuant to a Corporate Transaction the Award is replaced with a comparable share or stock award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

“替代”指根据公司整体出售，授权被公司、继受方（如适用）或其母公司的有可比性的股份、股权授权或现金激励方案替代，并且该等股份、股份奖励或现金激励方案保留了公司整体出售时授权中存在的补偿要件，以及提供了和该授权具有相同（或更有利的）兑现时间表的后续支出。是否有可比性由管理人决定，该决定应为最终的、有约束力的和终局的。

(hh) “Restricted Share” means a Share issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

“受限股份”指在本计划项下以一定对价向被授权人发行的，在转让、优先购买权、回购条款、没收条款和管理人制定的其他条件方面受限制的股份。



(ii) “Restricted Share Units” means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

“受限股份单位”指可以基于时间推移或管理人制定的业绩标准完成，全部或者部分获得的，以现金、股票或其他证券或者管理人决定的上述组合进行支付的一项授权。

(jj) “SAR” means a share appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Ordinary Shares.

“股份增值权”指赋予被授权人股份或现金补偿的股份增值权利，由管理人制定，并以普通股的增值作为衡量。

(kk) “Share” means an Ordinary Share of the Company.

“股份”指公司的普通股。

(ll) “Spin-off Transaction” means a distribution by the Company to its shareholders of all or any portion of the securities of any Subsidiary of the Company.

“分拆交易”指公司向其股东分配子公司的全部或部分股份的交易。

(mm) “Subsidiary” means any company (other than the Company) in an unbroken chain of companies beginning with the Company, if each of the companies other than the last company in the unbroken chain owns or Controls stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain, by equity ownership or by contract. A company that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

“子公司”指在以本公司为最顶端的连续公司链中的任何公司（本公司除外），且该公司（公司链最末端公司除外）基于持股或协议而拥有该公司链中某一家公司百分之五十（50%）以上的有表决权的股份。任何公司在本计划正式通过后达到子公司的标准的，应当自达到标准之日起被视为子公司。

(nn) “U.S. Code” means the U.S. Internal Revenue Code of 1986, as amended.

“美国法令”指1986年美国国内税收法及其修正案。

### 3. Shares Subject to the Plan.

本计划项下的股份。

(a) The Shares to be issued pursuant to the Awards under this Plan shall be authorized, but unissued, or reacquired Ordinary Shares. Subject to the provisions of Section 11 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards is 33,000,000 Shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions).

基于授权而发行的股份应为经授权但未发行或重新购回的普通股。根据下述第 11 节之规定，基于全部授权而发行的股份不得超过 33,000,000 股（可根据分红、拆股或类似交易按比例调整）。

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such Shares shall become available for future grant under the Plan. To the extent not prohibited by the Applicable Law and the listing requirements of the applicable stock exchange or national market system on which the Ordinary Shares are traded, any Shares covered by an Award which are surrendered (i) in payment of the Award exercise or purchase price or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Award shall be deemed not to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan, unless otherwise determined by the Administrator.

任何被没收的、被取消的、或到期失效的（无论自愿或非自愿）授权（或其部分）所代表的股份，在计算本计划项下可发行股份的最大数量时，不应被视为已发行的股份。本计划项下基于授权已实际发行的股份不得再被用作本计划项下的股份，且不得被用于本计划项下将来的股份发行，但如果尚未兑现的股份被公司没收或被公司以初始购股价格或回购时的公平市场价值中较低的价格回购，则该股份可以被用于本计划项下未来的授权。在适用法律和普通股挂牌的证券交易所或全国性市场系统的上市规则允许的情况下，授权所对应的股份如满足如下条件：(i) 支付授权的行权价或购买价格；或 (ii) 履行因行权而产生的税收代缴义务，在计算本计划项下可发行股份的最大数量时，不应被视为已发行的股份，管理人另有决定的除外。

#### 4. Administration of the Plan.

##### 计划的管理。

##### (a) Plan Administrator.

##### 计划管理人。

(i) Administration. The Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in accordance with the Applicable Laws and the M&A. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more officers or directors to grant such Awards and may limit such authority as the Board determines from time to time.

管理。 本计划应由 (A) 董事会或 (B) 董事会指定的根据适用法律及章程组成的委员会管理。一经委任，除非董事会另有指示，该等委员会应持续履行其被指定职能。董事会可以授权一位或多位管理人员授予期权并且董事会可以不时限制该等授权。

(ii) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws and approved by the Administrator.

管理过失。如果授权的授予与本第4节(a)款中的规定不一致，则该项授权应当在适用法律允许且管理人同意的范围内，自授予日起被推定为有效。

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

管理人的权力。受限于适用法律以及本计划条款（包括本计划赋予管理人的其他权利），除非董事会另有决定，否则管理人拥有下列自由裁量权：

(i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;

不时确定本计划项下可以获得授权的雇员、董事、顾问；

(ii) to determine whether and to what extent Awards are granted hereunder;

确定是否按本计划给予授权以及授权范围；

(iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;

确定本计划项下的每项授权对应的股份数量或其他应付对价；

(iv) to approve forms of Award Agreements for use under the Plan;

批准用于本计划的授予协议的形式；

(v) to determine the terms and conditions of any Award granted hereunder (including the vesting schedule set forth in the Notice of Stock Option Award);

确定本计划项下任何授权的条款和条件（包括股权期权授予通知项下的兑现时间表）；

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;

修订依本计划授予的任何已发行授权的条款，但未经被授权人书面同意，不得作出对被授权人已发行授权产生不利影响的修订；

(vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan; and

解释计划和授权的条款，包括但不限于依计划制定的授予通知 或授予协议；

(viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

采取管理人认为合适的，不违反本计划条款的其他行动。

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or Employees of the Company or a Related Entity, members of the Board and any Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such Person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such Person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

赔偿。除了作为公司或关联实体的董事会成员或雇员可以享有的其他赔偿权利外，公司应当保护或赔偿被授权代表董事会、管理人或公司行事的公司或关联实体的董事会成员或雇员，使其在适用法律允许的范围内、按税后标准，免于支付所有包括律师费在内的实际必要开支（由于任何因按照本计划或者本计划下授权履行或未履事务而引发的该等人士作为当事人的主张、调查、行动或其他法律程序的应诉，或者上诉），以及该等人士在和解（假如公司同意和解）或诉讼、调查、行动、诉讼或其他法律程序结果中支付的全部金额，除非在该等主张、调查、行动、诉讼或其他法律程序中判定该等主体因其重大过失、恶意或故意不当行为承担责任。上述赔偿的前提是，在任何该等主张、调查、行动、诉讼或其他法律程序发生后三十（30）日内，该等主体应书面通知公司，向公司提供在该等主张、调查、行动、诉讼或其他法律程序以自费应诉的机会。

5. Eligibility. Awards may be granted to Employees, Directors and Consultants. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards.

资格条件。授权可以被授予雇员、董事及顾问。已被给予授权的雇员、董事及顾问，如符合条件，可以被授予其他额外的授权

## 6. Terms and Conditions of Awards.

授权条件。

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Shares, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

授权类别。本计划项下，管理人有权授予雇员、董事或顾问与本计划条款不相抵触的任何类别的安排，其条款涉及或可以能涉及：(i)股份、(ii)现金奖励或者(iii)期权、股份增值权或其他类似权利；可以按照固定价格或与股份公平市场价值相关的浮动价格发行；触发行使权利和转换权利的可以是一定时间期限、一起或数期事件、业绩标准或者其他条件。授权类型包括但不限于期权、股份增值权和受限股份的买卖收益和红利、受限股份单位或股息对等权利；并且授权可以由一种前述证券或利益或由两（2）种以上证券或利益的任何组合、选择构成。

(b) Designation of Award. Each Award shall be designated in the Award Agreement.

授权之指定。每项授权应在授予协议中指明。

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. Each Award shall be subject to the terms of an Award Agreement approved by the Administrator and, if applicable, a subplan established pursuant to Section 25, which may provide that certain provisions of the Plan referenced in such Award Agreement or subplan shall not apply to such Award. The performance criteria established by the Administrator may include, without limitation, any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. Notwithstanding anything to the contrary provided hereof, to the extent permitted under Applicable Laws, the Administrator shall be entitled to require each Grantee to, as one precondition to being granted each Award, enter into a non-competition agreement with the Company or Related Entity, under which the Grantee shall be obligated to undertake certain non-competition obligations during the term of the employment with the Company or Related Entity and a certain reasonable period after the employment with the Company, and the Company shall have the right to waive Grantee's such non-compete obligation upon its own discretion and decision, subject to the non-competition agreement.

授权条件。根据本计划的条款，管理人有权决定每项授权的条款、条件，包括但不限于授权兑现时间表、回购条款、优先购买权、没收条款、授权结算时的支付方式（现金、股份或其它对价）、或有支付与业绩标准的完成。每项授权应根据管理人同意的授予协议的条款，以及根据第 25 条制定的子计划（如适用），该等授予协议或子计划可能约定计划中的某些条款不适用于该授权。管理人制定的业绩标准可以根据以下一项或多项的组合：(i) 股份价格上涨、(ii) 每股收益、(iii) 股东收益总值、(iv) 营业利润、(v) 毛利润、(vi) 股权收益、(vii) 资产收益、(viii) 投资收益、(ix) 营业收入、(x) 营业净收入、(xi) 税前利润、(xii) 现金流、(xiii) 总收入、(xiv) 支出、(xv) 扣除利息、税收和折旧后的收入、(xvi) 附加经济价值和(xvii) 市场份额。业绩标准可以适用于公司、关联实体和 / 或公司或任何关联实体的独立业务部门。部分完成业绩标准，可以依据授予协议的规定，依业绩完成程度相应地支付或兑现权利。尽管本计划有相反的规定，作为授予每项授权的前提条件，管理人应有权要求每位被授权人与公司或关联实体签署竞业禁止协议，在该协议项下，被授权人应有义务在公司或关联实体雇用期间或离职后的特定合理期间承担相应的竞业禁止义务，且公司有权依照其自由裁量权和决定根据竞业禁止协议放弃被授权人的竞业禁止义务。

(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, share purchase, asset purchase or other form of transaction.

收购及其它交易。公司或关联实体通过并购、购股、资产收购或其他方式收购另一实体、或购买在另一实体中的利益、或购买在关联实体中的额外利益时，管理人可以发行本计划项下的授权，以结算、承担或替代已发行授权或未来授权义务。

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award (other than an Award held by a U.S. taxpayer), satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

授权的延迟支付。管理人可以在本计划项下制定一个或多个方案，以使选定的被授权人有机会在行使授权（除美国纳税人持有的授权外）、完成业绩标准、或发生其它事件时选择延迟接受对价，如无此选择，则被授权人将有权获得授权项下的支付、股份或其它对价。管理人可以制定选择的程序、选择时间、被延迟的支付、股份或其它对价及其利息或其它收益的支付机制、以及其他管理人认为适当的管理延迟方案的条款、条件、规则和程序。

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

独立方案。管理人可以在本计划项下制定一个或多个独立方案，以按照其不时决定的条款和条件将特定形式的授权给予一类或多类被授权人。

(g) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award, subject to compliance with the Applicable Laws. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

提前行权。授予协议可以（但并非必须）包含一个条款，规定被授权人，在其为雇员、董事或顾问的任何时间，有权在遵守适用法律的前提下在授权完全兑现前的任何时候行使部分或全部授权。由此获得的任何未兑现股份可受限于回购条款且回购受益人为公司或关联实体，或者可受限于受管理人认为适当的任何其他条款。

(h) Term of Award. The term of each Award shall be the term stated in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award. In the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the term of the Incentive Stock Option will not be longer than ten years from the date of grant.

授权有效期。每项授权的有效期为授予协议中指定的期限。尽管有上述规定，任何授权的具体有效期不应包括被授权人选择延迟接受授权项下可发行股份或现金的期间。对于授权给雇员的股权激励期权，如果该雇员在该股权激励期权授予时，拥有（或根据美国法令第 424(d)节可被视为拥有）超过公司、子公司和关联方所有类型的享有投票权的 10%的股份，则该股权激励期权的有效期不超过自授予日起十年。

(i) Transferability of Awards. Subject to the Applicable Laws, Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

授权的可转让性。根据适用法律，授权应基于如下事由转让：(i)根据遗嘱、继承与分配法转让；(ii)在被授权人有生之年，在管理人的授权范围内以管理人授权的方式转让。尽管有前述规定，被授权人可以用管理人提供的指定受益人的格式文件，指定其死亡后授权的一个或多个受益人。

(j) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator.

授予日期。任何情形下，给予授权的日期应为管理人决定给予授权日期或管理人指定的其他日期。

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## 7. Award Exercise or Purchase Price, Consideration and Taxes.

授权行权价或购买价格、对价与税收。

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be determined by the Administrator, and in the case of Options or SARs granted to U.S. taxpayers, shall not be less than 100% of the Fair Market Value of a Share as of the date of grant. In addition, in the case of an Incentive Stock Option granted to an employee who, at the time the Incentive Stock Option is granted, owns (or, pursuant to Section 424(d) of the U.S. Code, is deemed to own) Shares representing more than 10% of the total combined voting power of all classes of shares of the Company or any Subsidiary or Affiliate, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

行权价或购买价格。 授权的行权价或购买价格（如有）应当由管理人确定：在授予雇员期权或股份增值权的情形下，该价格不应低于截至授予日期每股的公平市场价值的 100%。除此之外，在授予雇员的股权激励期权的情形下，如果该雇员在该股权激励期权授予时，拥有（或根据美国法令第 424(d) 节可被视为拥有）超过公司、子公司和关联方所有类型股份总合并投票权 10% 的股份，则每股的行权价格不少于截至授予日期每股的公平市场价值的 110%。

Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6 above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

尽管有本第7节(a)款的前述规定，对于按第6节给予的授权，则该授权的行权价或购买价格应当根据证明同意授予授权的相关法律文件的条款确定。

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

对价。 对基于行使授权或购买授权而发行的股份应支付的对价，包括其支付方式，应由管理人决定，但应遵守适用法律之规定。管理人除了可以决定任何其他种类的对价，管理人有权接受以下作为按计划发行的股份的对价：

- (i) cash;  
    现金；
- (ii) check;  
    支票；

(iii) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;



如果行使或购买股份发生在登记日当天或之后，或经管理人所允许，则对价可以是交付股份或出具管理人可能要求的经适当签署的股份权利证明（该等股份于交付之日或出具证明之日的公平市场价值应等于正在被行使期权的股份的行权价之总额）；

(iv) if the exercise or purchase occurs on or after the Registration Date, or as otherwise permitted by the Administrator, withholding of Shares subject to the Award having a Fair Market Value on the date of exercise equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

如果行使授权或购买授权发生在登记日当天或之后，或经管理人所允许，在行权日根据授权，则对价可以是收回授权下的股份（该等股份的公平市场价值应等于正在被行使的授权的行权价之总额）；

(v) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

就期权而言，如果行权发生在登记日或登记之后，则款项可通过经销商出售与汇款程序支付。按照此程序被授权人 (A) 应书面指示公司指定的经销商，以立即开始销售部分或全部已购买股份，同时还应将足够涵盖所购买股份的全部行权价的金额汇至公司；(B) 应书面指示公司将购买的股份直接交付这些经销商从而完成销售；或

(vi) any combination of the foregoing methods of payment.

前述支付方式的任意组合。

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

对于不接受上述所有对价支付形式的授权、或者限制一种或多种对价支付形式的授权，管理人可以通过不时采纳或者修改第四节 (b)(iv) 款所述的授予协议的标准格式的方式或其他任何方式，在任何时候进行授权。

(c) **Taxes.** No Shares shall be delivered under the Plan to any Grantee or other Person until such Grantee or other Person has made arrangements acceptable to the Administrator for the satisfaction of any income and employment tax withholding obligations under any Applicable Laws. The Grantee shall be responsible for all taxes associated with the receipt, vest, exercise, transfer and disposal of the Awards and the Shares. Upon exercise of an Award, the Company and/or the Related Entity which is an employer of the Grantee shall have the right to withhold or collect from Grantee an amount sufficient to satisfy such tax obligations.

税收。在被授权人或其他人士按照适用法律就所得税支付和雇佣税扣缴义务的履行作出令管理人认为可接受的安排之前，不得将本计划下的股份交付给被授权人或其他人士。被授权人应当承担与授权和股份的接受、兑现、行权、转让和处分相关的全部税负。授权一经行使，公司和/或被授权人供职的关联实体应当有权从被授权人处代扣、抵扣或收取一定金额以履行前述税收义务。

#### 8. Exercise of Award.

行使授权。

##### (a) Procedure for Exercise; Rights as a Shareholder.

行使程序；股东权利

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

本计划项下授予的任何授权应按照管理人依据本计划和授予协议载明的条款确定的时间和条件行使。

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the Person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

如果有权行使授权的任何人士按照授予协议的条款向公司递交行权的书面通知并全额支付被行使授权对应的股票，包括，在选定的范围内，按照第 7 节(b)(iv)款规定使用经销商出售与汇款程序支付购买价格，则授权应被视为已行使。

##### (b) Exercise of Award Following Termination of Continuous Service.

持续任职终止后行使授权。

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

授予协议规定的到期日之后，授权不可再被行使，唯可根据授予协议的规定在被授权人持续任职终止后被行使。

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

如果授予协议允许被授权人在持续任职终止后的一定期限内行使授权，在该期限届满或原授权有效期届满时（取两者中较早发生的时间），没有行使的授权部分应该到期终止。

**(c) No Exercise in Violation of Applicable Law.**

行权不得违反适用法律。

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award shall not be exercised if the Administrator (in its sole discretion) determines that an exercise would violate any Applicable Laws.

尽管有前述规定，不论授权是否已经可以行权，如果管理人（根据其完全自由裁量）认为行权将违反任何适用法律的，该等授权不得被行使。

**(d) Restrictions on Exercise.**

行权限制。

Notwithstanding the foregoing, regardless of whether an Award has otherwise become exercisable, the Award may not be exercised before the consummation of (i) an IPO of the Company, (ii) a Corporate Transaction, or (iii) the Change in Control, except as permitted by the applicable Award Agreement or otherwise as determined by the Administrator.

尽管有前述规定，不论授权是否已经可以行权，除非管理人另有决定，在下述交易交割前，授权不得被行使：(i)公司首次公开发行，(ii)公司整体出售，(iii)控制权变更。

**9. Conditions Upon Issuance of Shares.**

股份发行条件。

(a) Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws and the relevant Award Agreement, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

除非行权及相关股份的发行或交付符合所有适用法律，且公司律师进一步就该合规性作出确认，否则不得基于行权发行任何股份。

(b) As a condition to the exercise of an Award, the Company may require the Person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

如果公司律师认为任何适用法律有陈述保证的要求，作为行使授权的条件，公司可以要求行使授权的人士在行使授权时陈述并保证，其购买该股份仅为投资目的，并无出售、分销该股份之意图。

(c) As a condition to the exercise of an Award, the applicable Award Agreement may provide for Grantee to grant a power of attorney to the Board or any Person designated by the Board to exercise the voting rights with respect to the Shares and the Company may require the Person exercising such Award to acknowledge and agree to be bound by the provisions of the currently effective M&A, shareholders agreement, right of first refusal and co-sale agreement and other documents of the Company in relation to the Shares (if any), as if the Grantee is a holder of Ordinary Shares thereunder.

作为行使授权的条件，被授权人应授权董事会或董事会指定的人士作为其代表行使投票权，且公司可以要求该等行使授权的人士承认并同意遵守届时有效的公司章程、股东协议、优先购买权和跟售权协议以及其他与股份有关的公司法律文件（若有），如同被授权人是普通股的持有人一样。

10. **Repurchase Rights.** Except as provided in the applicable Award Agreement or the subplan, upon termination of a Grantee's Continuous Service for any reason, the Company shall be entitled to repurchase from the Grantee all or any portion of any vested Awards and the Shares obtained by the Grantee upon exercise of any Awards. The Award Agreement shall (or may, with respect to Awards granted or issued to Officers, Directors or Consultants) provide that:

**回购权。**除非在可适用的授权协议或自计划中另有约定，当被授权人出于任何原因而终止持续任职时，公司有权从被授权人处回购被授权人的全部兑现期权和通过行使授权而获得的股份。授予协议应当约定（或者如授权是向管理人员、董事或顾问授予或发行的，则授予协议可以约定）：

(a) the consideration payable for such vested Awards or such Shares upon exercise of such repurchase right shall be made in cash or by cancellation of purchase money indebtedness; and

行使回购权时所需就兑现授权或股份支付的对价，应当以现金形式或取消买价负债的形式支付；且

(b) the amount of the consideration payable for such vested Awards or such Shares shall be as determined by the Administrator. The Grantee shall cooperate with the Company to complete and give effect to such repurchase.

回购兑现授权或股份的对价应当被管理人决定。被授权人应与公司合作以完成并使该回购生效。

11. **Adjustments Upon Changes in Capitalization.** Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be equitably adjusted for (i) any increase or decrease in the number of issued Shares resulting from a share split, reverse share split, share dividend, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Ordinary Shares including a corporate merger, consolidation, acquisition of property or equity, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award. In the event of a Spin-off Transaction, the Administrator may in its discretion make such adjustments and take such other action as it deems appropriate with respect to outstanding Awards under the Plan, including but not limited to: (i) adjustments to the number and kind of Shares, the exercise or purchase price per Share and the vesting periods of outstanding Awards, (ii) prohibit the exercise of Awards during certain periods of time prior to the consummation of the Spin-off Transaction, or (iii) the substitution, exchange or grant of Awards to purchase securities of the Subsidiary; provided that the Administrator shall not be obligated to make any such adjustments or take any such action hereunder.

市值变化后的调整。受限于公司股东的要求，对于已发行的授权所指向的股份数量，以及本计划项下已被允许发行的股份数量但该股份对应的授权还未被授予或已经被收回至本计划，该已发行授权的行权价或购买价格、该授权对应的在一个会计年度可发放给被授权人的最大数量的股份，以及管理人认为需要调整的任何其他条件，将根据以下情况按比例调整：(i)因拆股、反向拆股、股份分红、并股或股份重新分类，或类似影响股份的交易而引起的已发行股份的数量增减；(ii)公司未收到对价而进行的已发行股份数量的增减；或(iii)管理人有权自行决定的有关普通股的其他交易，包括公司新设合并、吸收合并、购买财产或股权、分立（包括分拆或其他股份或财产的分配）、重组、全部或部分清算或其他类似交易；然而公司可转换证券的转换不得被视为“未收到对价而进行”的交易。上述调整需由管理人进行且其决定是终局的、有约束力的和决定性的。除非管理人另有决定，否则公司发行任何级别的股份，或者可以转换为任何级别的股份的证券，不得影响授权项下股份的数量或价格，不得对授权项下股份的数量或价格因上述原因做调整。分拆交易发生时，管理人有权自行决定对本计划项下已发行的授权进行如下调整或作出其认为适当的行动，包括但不限于：(i)调整股份数量、类型、每股行权价或购买价格以及已发行授权的兑现时间，(ii)在分拆交易交割前的一定期限内禁止行使授权，或(iii)替换、交换或授予授权以购买子公司的证券。

## **12. Corporate Transactions and Changes in Control.**

公司整体出售和控制权变更。

**(a) Termination of Award to the Extent Not Assumed in Corporate Transaction.** Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed or Replaced in connection with the Corporate Transaction.

公司整体出售中授权未被承担则告终止。自公司整体出售交割时起，本计划项下的全部已发行授权应当终止且该等终止于交割时即生效。但是，在公司整体出售中被承担的授权不应终止。

### **(b) Acceleration of Award Upon Corporate Transaction or Change in Control.**

公司整体出售或控制权变更后授权加速

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction, for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. The portion of the Award that is not Assumed or Replaced shall terminate under subsection (a) of this Section to the extent not exercised prior to the consummation of such Corporate Transaction.

公司整体出售。除非单独授予协议另有规定，否则在公司整体出售的情况下，未被承担或替代的授权应在公司整体出售的特定生效日前且被授权人仍在公司持续任职的前提下自动全部兑现生效、可诸行使、并且解除任何回购权或没收全对其的限制（除非回购权以公平市场价格行使）。根据本节 (a)款，未被承担的授权如在公司整体出售交割前仍未被行使则应当终止。

(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares at the time represented by such Award, provided that the Grantee's Continuous Service has not terminated prior to such date.

控制权变更。除非单独授予协议另有规定，在控制权变更的情况下（不包括同时也是公司整体出售的控制权变更），如果被授权人在公司控制权变更的特定生效日前在公司的持续任职未终止，每一项在计划项下已发行的授权应在该生效日前自动全部变为兑现和可行使的，且解除任何回购权或没收权对该授权部分相应股票的限制（以公平市场价格行使的回购权除外）。

13. Effective Date and Term of Plan. The Plan shall become effective upon the later to occur of its adoption by the Board or its approval by the shareholders of the Company. The Plan shall continue in effect for a term of ten (10) years after the date of adoption, unless sooner terminated or extended before expiration. Subject to Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

计划生效日和期限。本计划在董事会通过或股东批准两者较晚日后生效。除非提前终止，本计划自批准之日起有效期为十（10）年。受限于适用法律，授权可予本计划生效后予以授出。

#### 14. Amendment, Suspension or Termination of the Plan.

计划的修订、中止与终止。

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by Applicable Laws, or if such amendment would change any of the provisions of Section 4(b)(vi) or this Section 14(a).

董事会可以随时修订、中止和终止计划。但是，当适用法律要求该等修订须得到公司股东批准时，或者修订涉及本计划第4节(b)(vi)款或第14节(a)款时，非经公司股东批准，不得进行相应的修订。

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

本计划中止期间或终止之后不得授予任何授权。

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12, above) shall adversely affect any rights under Awards already granted to a Grantee.

对本计划的任何中止或终止（包括本计划第12节项下的计划终止）不得影响任何已经被授予的授权。

#### 15. Reservation of Shares.

股份保留。

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

公司在本计划有效期内须一直预留和保留足额的股份，以保证满足本计划的需要。

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

如果公司律师认为依法发行、出售本计划项下股份需要从有管辖权的监管机构获得必要批准而公司未能从有管辖权的任何监管机构获得该批准，则公司对未能获得必要批准而不能进行发行或出售不负任何责任。

16. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan. For the avoidance of doubt, to the extent that the Grantee is an Employee of the Company or any Related Entity, the terms and conditions of the Plan, the Award Agreement, the Notice of Stock Option Award and any exhibit, schedule or ancillary documents of the foregoing shall in no event form or be deemed as part of his/her employment contract with the Company or Related Entity.

对雇佣期限或顾问关系没有影响。 本计划并不赋予被授权人任何与持续任职有关的权利，也不影响被授权人或公司或被授权人供职的关联实体在任何时候终止被授权人持续任职的权利，无论此等终止是否是因事由或者是否基于通知。公司或任何关联实体关于被授权人持续任职因本计划下的事由而被终止的决定，不影响公司或任何关联实体任意终止与所雇佣的被授权人的雇佣关系的能力。为免疑义，就作为公司或任何关联实体雇员的被授予人而言，本计划、授予协议、股票期权授予通知以及前述文件的任何附件、附表或附属文件项下的条款和条件在任何情况下均不应构成或被视为该被授予人与公司或关联实体之间雇佣合同的一部分。

17. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a “Retirement Plan” or “Welfare Plan” under the Employee Retirement Income Security Act of 1974, as amended.

对退休与其他福利计划没有影响。除非公司或关联实体的退休计划或其他福利计划另有具体约定，否则授权不得被视为对公司或关联实体任何退休计划的收益或出资之计算的补偿，并且不得影响任何其他类型的福利计划，或此后设立的任何可得收益和收益金额与薪酬水平相关的福利计划。本计划不构成 1974 年《雇员退休收入保障法》及其后续修订项下的“退休计划”或“福利计划”。

18. Vesting Schedule. Except as approved by the Administrator, Options to be issued to the Grantees under the Plan shall be subject to a minimum four (4) year vesting schedule calling for vesting no faster than the following, counting from the applicable grant date or vesting commencement date (as determined by the Administrator) with respect to the total issued Options: the Option representing 25% of the Shares shall vest at the end of the first twelve (12) months commencing from the Vesting Commencement Date, with remaining portions vesting in equal monthly installments over the next thirty-six (36) months.

兑现时间表。除非管理人另作决定，根据本计划向被授权人发行的期权应当受限于一个不短于四（4）年的兑现时间表，自授予日或相关兑现开始日（由管理人确定）起全部发行期权按以下兑现时间表行使：期权对应的 25% 的股份应在第一年届满时兑现，剩余的部分于接下来的三十六（36）个月中按月平均兑现。

19. Drag-Along Events. Except as provided in the applicable Award Agreement or subplan, in the event of a Drag-Along Event, the Grantees who hold any Shares upon exercise of the Award shall sell, transfer, convey or assign all of their Shares pursuant to, and so as to give effect to, the Drag-Along Event, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to transfer, sell, convey and assign his/her Shares and to do and carry out all acts and to execute all documents that are necessary or advisable to complete the Drag-Along Event.

领售权交易。除非在相关授予协议中另有规定，在发生领售权交易的情况下，基于行使授权而持有任何股份的被授权人，应当根据领售权交易出售、转让、让渡或让与其全部股份，并使领售权交易得以有效实现。被授权人应当授权公司的董事会或董事会不时指定的其他人士为完成领售权交易而对他/她的股份进行转让、出售、让与和让渡，并采取一切必要且适当的行为和签署一切必要且适当的文件。



20. IPO. In the case of a IPO, the Grantees shall enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company for the purpose of the IPO, and each of such Grantees shall grant to the Board or a Person authorized by the Board, a power of attorney to enter into any agreements with any underwriter, coordinator, bankers or sponsor elected by the Company and to do and carry out all the acts and to execute all the documents that are necessary or advisable to complete the IPO.

首次公开发行。首次公开发行时，被授权人将与公司为首次公开发行而委任的任何承销商、协调者、银行业者或保荐人签署一切协议。为此目的，被授权人特此不可撤销地授权公司董事会或董事会不时指定的其他人士与公司委任的任何承销商、协调者、银行业者或保荐人签署一切协议，并为完成首次公开发行采取一切必要且适当的行为和签署一切必要且适当的文件。

21. Service with Competitor. Notwithstanding Section 8(b), and except as provided in the applicable Award Agreement or subplan or as otherwise determined by the Administrator, in the event a Grantee serves as the director, officer, employee (whether full time or part time), shareholder, representative or agent of a competitor of the Company and the Related Entities (the "Service with Competitor") after termination of the Grantee's Continuous Service, with or without Cause, excluding any passive investment by way of shares or other securities of not more than 5% of the total issued share capital of any company, the Grantee's right to exercise the Awards shall terminate immediately upon the date of the Service with Competitor, except as otherwise determined by the Administrator, and the Company shall have rights to repurchase all vested Awards and exercised Shares held by the Grantee at a discount price determined by the Administrator.

竞争任职。尽管有第8节(b)款之规定，除非规定在可适用的授予协议或子计划或除非管理人另有决定，如果被授权人在持续任职终止（无论是否因事由）之后，担任公司竞争者或其关联实体的董事、管理人员、雇员（无论全职或兼职）、股东、代表或代理（“竞争任职”），不包括对不超过任何公司发行股份总数的 5% 的股份或其他证券进行的任何被动投资，除非管理人另有决定，否则被授权人行权的权利应当从开始竞争任职之日终止，并且公司应当有权以管理人确定的折价回购被授权人的所有兑现期权和已行权的股份。

22. Unfunded Obligation. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

无基金义务。无论出于任何目的，本计划项下对被授权人的应付款项都没有义务被用于设立基金或作为抵押。公司和关联实体都不得被要求从其普通基金中隔离任何款项、或设立任何信托、或为类似目的设立任何特殊账户。公司应保留其在任何投资（包括信托投资）中的实益所有权，以用于履行其在本计划项下的付款义务。任何投资、或任何对信托或被授权人账户的设立或维护，都不得设立或构成信托或者管理人、公司、关联实体和被授权人之间的信托关系，都不得设立任何被授权人或被授权人的债权人在公司或任何关联实体资产上的既得利益或受益权利。无论公司基于本计划投资或再投资的任何资产发生任何价值变化，被授权人都无权向公司或关联实体提出任何主张。

23. Entire Plan. This Plan, the individual Award Agreements and any other document, together with all the exhibits hereto and thereto, constitute and contain the entire stock incentive plan and understanding of the parties with respect to the subject matter hereof and supersede any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof.

完整计划。本计划、单独的授予协议和其他任何文件、连同本计划的全部附件，构成了完整的股权激励计划和各方对相关事项的完整谅解，并完整代替各方此前就相关事项的任何或全部谈判、通信、协议、谅解、责任或义务（包括公司在此前制定的任何或全部股权激励计划）。

24. Construction; Language. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise. This Plan is stipulated in both English and Chinese. In case of any discrepancy between the Chinese and English version, the English version shall prevail in any case.

解释；语言。本计划中的标题只是出于方便而设，并不影响本计划的任何意思和解释。除非上下文中另有明确表示，否则本计划中仅表示单数形式的用语也应包括其复数形式，反之亦然。除非上下文中另有明确表示，“或”的使用并不意味着排他。本计划以中文及英文制定。若中文版本与英文版本之间存在任何不一致之处，在任何情况下应以英文版为准。

25. Modifications and Subplans. Without amending this Plan, the Administrator may grant awards to eligible persons on such terms and conditions different from those specified in this Plan as may in the judgment of the Administrator be necessary to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Administrator may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the Applicable Laws or market practices of the countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

修订与子计划。在不修订本计划的情况下，管理人为促进实现本计划可根据管理人自身判断就与本计划不同的条款及条件向具有资格人士授权，以及为促进上述目的管理人可作出相应的修订、修改、程序、子计划，以符合该公司或其子公司经营或拥有雇员的有关国家或司法管辖区的适用法律或市场惯例。

## NIO INC.

## 2018 SHARE INCENTIVE PLAN

(Adopted by the Board of Directors of NIO Inc. (the "Company") on August 10, 2018)

1. Purposes of the Plan. The purpose of this Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected Employees, Directors, and Consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the success of the Company or to increase this interest, by permitting them to acquire Shares of the Company or granting Options to purchase Shares of the Company. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may be Incentive Stock Options or Non-statutory Stock Options, as determined by the Administrator at the time of grant.

2. Definitions. For the purposes of this Plan, the following terms shall have the following meanings:

(a) "Acquisition Date" means, with respect to Shares, the respective dates on which the Shares are issued under the Plan pursuant to the exercise of an Option or in accordance with the Restricted Share Purchase Agreement.

(b) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(c) "Applicable Law" means any applicable legal requirements relating to the administration of and the issuance of securities under equity securities-based compensation plans, including, without limitation, the requirements of laws of the state securities laws, U.S. federal law, the Code, and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted and the applicable laws of any other country or jurisdiction where Awards are granted under the Plan. For all purposes of this Plan, references to statutes and regulations shall be deemed to include any successor statutes or regulations, to the extent reasonably appropriate as determined by the Administrator.

(d) "Award" means an Option or a Restricted Share Purchase Right or other types of award approved by the Administrator and granted to an Awardee pursuant to this Plan.

(e) "Awardee" means a recipient of an Award.

(f) "Board" means the Board of Directors of the Company.

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(g) “Cause” means, as determined by the Board and unless otherwise provided in an applicable agreement with the Company or a Subsidiary, the Service Provider (i) is proved to be incompetent during the probationary period, (ii) is in material breach of the rules and regulations of the Group Companies (including without limitation labor discipline) (for avoidance of doubt, commercial bribery and bribery shall be regarded as material breaches of rules and regulations in any event), (iii) commits serious dereliction of duty or malpractice, which causes material damages to the Group Companies, (iv) comes into employment relationship with other employer at the same time, which has material negative effects on the completion of his/her work at the Group Companies, or refuses to make correction as required by the Group Companies; (v) uses such means as fraud, coercion or taking advantage of the unfavorable position of the Group Companies to have the Group Companies execute or modify the employment contract against its true intention, which renders such employment contract invalid, or (vi) is prosecuted.

(h) “Change in Control” means the occurrence of any of the following events:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities; or

(ii) the consummation of the sale, lease, or disposition by the Company of all or substantially all of the Company’s assets; or

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Anything in the foregoing to the contrary notwithstanding, a transaction shall not constitute a Change in Control if its sole purpose is to change the legal jurisdiction of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction. In addition, a sale by the Company of its securities in a transaction, the primary purpose of which is to raise capital for the Company’s operations and business activities including, without limitation, an initial public offering of Shares under the Securities Act or other Applicable Law, shall not constitute a Change in Control.

(i) “Code” means the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(j) “Committee” means a committee of Directors appointed by the Board in accordance with Section 4 hereof.

(k) “Company” means NIO Inc., a company organized under the laws of the Cayman Islands, or any successor corporation thereto.

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(l) “Consultant” means any natural person who is engaged by the Company, or any Parent, Subsidiary or variable interest entity whose financial statements are intended to be consolidated with the Company, any Parent or Subsidiary to render consulting or advisory services to such entity and who is compensated for the services; provided that the term “Consultant,” does not include (i) Employees or (ii) securities promoters.

(m) “Date of Grant” means the date an Award is granted to an Awardee in accordance with Section 13 hereof.

(n) “Director” means a member of the Board.

(o) “Disability” means total and permanent disability as defined in Section 22(e)(3) of the Code.

(p) “Employee” means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or any Parent or Subsidiary, including sick leave, military leave, or any other personal leave, or (ii) transfers between locations of the Company or between the Company or any Parent or Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the 91<sup>st</sup> day of such leave, any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-statutory Stock Option. Neither service as a Director nor payment of a director’s fee by the Company or any Parent or Subsidiary shall be sufficient to constitute “employment” by the Company or any Parent or Subsidiary.

(q) “Exercise Price” means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Administrator in the applicable Option Agreement in accordance with Section 6(d) hereof.

(r) “Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(s) “Fair Market Value” means, as of any date, the value of the Shares determined as follows:

(i) if the Shares are listed on any established stock exchange or a national market system, including, without limitation, The New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Capital Market of The Nasdaq Stock Market, Hong Kong Stock Exchange and the London Stock Exchange (Main Listing or Alternative Investment Market), the Fair Market Value shall be the closing sales price for the Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) if the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean of the high bid and low asked prices for the Shares on the day of determination, as reported in *The Wall Street Journal* or any other source as the Administrator deems reliable; or

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(iii) in the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator in accordance with Applicable Law.

(t) “Group Companies” means the Company, NIO Inc., and / or any of their Subsidiary.

(u) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Option Agreement.

(v) “Market Stand-Off Period” shall mean period of the longer term of the following: (i) a year since the consummation of initial public offering of Shares, (ii) the applicable lock-up period for the Optioned Shares as stipulated by the Applicable Laws of the place of the initial public offering of Shares.

(w) “Non-statutory Stock Option” means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Option Agreement, or an Incentive Stock Option that does not so qualify.

(x) “Option” means an option to purchase Shares that is granted pursuant to the Plan in accordance with Section 6 hereof.

(y) “Option Agreement” means a written or electronic agreement between the Company and an Optionee, the form(s) of which shall be approved from time to time by the Administrator, evidencing the terms and conditions of an individual Option granted under the Plan, and includes any documents attached to or incorporated into the Option Agreement, including, but not limited to, a notice of option grant and a form of exercise notice. The Option Agreement shall be subject to the terms and conditions of the Plan.

(z) “Optioned Shares” means the Shares subject to an Option.

(aa) “Optionee” means the holder of an outstanding Option granted under the Plan.

(bb) “Parent” means a “parent corporation” with respect to the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(cc) “Plan” means this 2018 Share Incentive Plan, as amended from time to time.

(dd) “PRC” means the People’s Republic of China, which, for the purpose of this Plan, shall exclude Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan.

(ee) “Purchase Price” means the amount of consideration for which one Share may be acquired pursuant to a Restricted Share Purchase Right, as specified by the Administrator in the applicable Restricted Share Purchase Agreement in accordance with Section 7(c) hereof.

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(ff) “Purchaser” means the holder of Shares purchased pursuant to the exercise of a Restricted Share Purchase Right.

(gg) “Qualified Former Employee” means any former employee of the Company or any Parent or Subsidiary who is eligible for the grant of Awards as approved by the Board.

(hh) “Qualified IPO” has the meaning set forth in the Fifth Amended and Restated Shareholder’s Agreement entered into on November 10, 2017 by the Company and other parties thereto.

(ii) “Restricted Share Purchase Agreement” means a written or electronic agreement between the Company and a Purchaser, the form(s) of which shall be approved from time to time by the Administrator, evidencing the terms and conditions of an individual Restricted Share Purchase Right, and includes any documents attached to or incorporated into the Restricted Share Purchase Agreement. The Restricted Share Purchase Agreement shall be subject to the terms and conditions of the Plan.

(jj) “Restricted Shares” means Shares acquired pursuant to a Restricted Share Purchase Right (if subject to rights of redemption, repurchase or forfeiture).

(kk) “Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(ll) “Service Provider” means an Employee, Director, or Consultant.

(mm) “Share” means an Class A Ordinary Share of the Company, as adjusted in accordance with Section 12 hereof.

(nn) “Shareholders Agreement” means any agreement between an Awardee and the Company or members of the Company or both.

(oo) “Restricted Share Purchase Right” means a right to purchase Restricted Shares pursuant to Section 7 hereof.

(pp) “Subsidiary” means a “subsidiary corporation” with respect to the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

(qq) “Ten Percent Owner” means a Service Provider who owns more than 10% of the total combined voting power of all classes of outstanding securities of the Company or any Parent or Subsidiary.

(rr) “United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

### 3. Shares Subject to the Plan.

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(a) Basic Limitation. Subject to the provisions of Section 12 hereof, the maximum aggregate number of Shares that may be issued under the Plan shall be [23,000,000] Shares, which should be automatically increased each year by the number of shares representing [1.5]% of the then total issued and outstanding share capital of the Company as of the end of each preceding year.

(b) Additional Shares. If an Award expires, becomes unexercisable, or is cancelled, forfeited, or otherwise terminated without having been exercised or settled in full, as the case may be, the Shares allocable to the unexercised portion of the Award shall again become available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan, upon exercise of an Option or delivery under a Restricted Share Purchase Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that in the event that Shares issued under the Plan are reacquired by the Company pursuant to any forfeiture provision, right of repurchase or redemption, or are retained by the Company upon the exercise of or purchase of Shares under an Award in order to satisfy the Exercise Price or Purchase Price for the Award or any withholding taxes due with respect to the exercise or purchase, such Shares shall again become available for future grant under the Plan.

#### 4. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Board or a Committee appointed by the Board. Any Committee of the Board shall be constituted to comply with Applicable Law.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value, in accordance with Section 2(s) hereof;

(ii) to select the Awardees to whom Awards may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve the form(s) of agreement for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder including, but not limited to, the Exercise Price, the Purchase Price, the time or times when Options may be exercised (which may be based on performance criteria), the time or times when repurchase or redemption rights shall lapse, any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;



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(vi) to implement a program where (A) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower Exercise/Purchase Prices and different terms), Awards of a different type, or cash, or (B) the Exercise/Purchase Price of an outstanding Award is reduced, based in each case on terms and conditions determined by the Administrator in its sole discretion;

(vii) to prescribe, amend, and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable laws of jurisdictions other than the United States;

(viii) to allow Awardees to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued under an Award that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Awardees to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) to modify or amend each Award (subject to Section 17 hereof and Awardee's consent if the modification or amendment is to the Awardee's detriment);

(x) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan; and

(xi) to make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan.

(c) Delegation of Authority to Officers. Subject to Applicable Law, the Administrator may delegate limited authority to specified officers of the Company to execute on behalf of the Company any instrument required to effect an Award previously granted by the Administrator.

(d) Effect of Administrator's Decision. All decisions, determinations, and interpretations of the Administrator shall be final and binding on all Awardees.

#### 5. Eligibility.

(a) General Rule. Only Service Providers, or trusts or companies established in connection with any employee benefit plan of the Company (including the Plan) for the benefit of a Service Provider, or Qualified Former Employees, shall be eligible for the grant of Awards. Incentive Stock Options may be granted to Employees only.

(b) Members with Ten-Percent Holdings. A Ten Percent Owner shall not be eligible for the grant of an Incentive Stock Option unless (i) the Exercise Price is at least 110% of the Fair Market Value on the Date of Grant, and (ii) the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the Date of Grant. For purposes of this Section 5(b), in determining ownership of securities, the attribution rules of Section 424(d) of the Code shall apply.

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6. Terms and Conditions of Options.

(a) Option Agreement. Each grant of an Option under the Plan shall be evidenced by an Option Agreement between the Optionee and the Company. Each Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Administrator deems appropriate for inclusion in an Option Agreement. The provisions of the various Option Agreements entered into under the Plan need not be identical.

(b) Type of Option. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Non-statutory Stock Option. However, notwithstanding a designation of an Option as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by an Optionee during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds US\$100,000, such Options shall be treated as Non-statutory Stock Options. For purposes of this Section 6(b), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Date of Grant.

(c) Number of Shares. Each Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 12 hereof.

(d) Exercise Price. Each Option Agreement shall specify the Exercise Price. The Exercise Price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value on the Date of Grant, and a higher percentage may be required by Section 5(b) hereof. Subject to the preceding sentence, the Exercise Price of any Option shall be determined by the Administrator in its sole discretion. For the avoidance of doubt, to the extent not prohibited by applicable laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Awardees. The Exercise Price shall be payable in accordance with Section 9 hereof and the applicable Option Agreement. Notwithstanding anything to the contrary in the foregoing or in Section 5(b), in the event of a transaction described in Section 424(a) of the Code, then, consistent with Section 424(a) of the Code, Incentive Stock Options may be issued at an Exercise Price other than as required by the foregoing and Section 5(b).

(e) Term of Option. The Option Agreement shall specify the term of the Option; provided, however, that the term shall not exceed five (5) years from the Date of Grant, and a shorter term may be required by Section 5(b) hereof. Subject to the preceding sentence, the Administrator in its sole discretion shall determine when an Option is to expire.

(f) Exercisability. Each Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. The exercisability provisions of any Option Agreement shall be determined by the Administrator in its sole discretion. Unless otherwise set forth in the Option Agreement or as determined by the Administrator, no Option shall become exercisable unless and until (i) such Option has been fully vested according to the vesting terms provided under the Option Agreement, (ii) the Company has consummated the initial public offering of Shares, and (iii) all applicable legal requirements with respect to the exercise of Options, including without limitation the filing requirements of the State Administration of Foreign Exchange of the PRC, shall have been fully performed and complied with by the applicable Awardee.

(g) Exercise Procedure. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as may be determined by the Administrator and as set forth in the Option Agreement; provided, however, that an Option shall not be exercised for a fraction of a Share.

(i) An Option shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, (B) full payment for the Shares with respect to which the Option is exercised, and (C) all representations, indemnifications, and documents reasonably requested by the Administrator including, without limitation, any Shareholders Agreement. Full payment may consist of any consideration and method of payment authorized by the Administrator in accordance with Section 9 hereof and permitted by the Option Agreement.

(ii) Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Subject to the provisions of Sections 8, 9, 14, and 15, the Company shall issue (or cause to be issued) certificates evidencing the issued Shares promptly after the Option is exercised. Notwithstanding the foregoing, the Administrator in its discretion may require the Company to retain possession of any certificate evidencing Shares acquired upon the exercise of an Option, if those Shares remain subject to repurchase or redemption under the provisions of the Option Agreement, any Shareholders Agreement, or any other agreement between the Company and the Awardee, or if those Shares are collateral for a loan or obligation due to the Company.

(iii) For purpose of the Plan (in accordance with Section 3(b), exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, by the number of Shares as to which the Option is exercised.

(h) Termination of Service (other than by death).

(i) If an Optionee ceases to be a Service Provider for any reason other than because of death, then the Optionee's Options shall expire on the earliest of the following occasions:

(A) The expiration date determined by Section 6(e) hereof;

(B) The day on which the Optionee's relationship as a Service Provider is terminated for Cause;

(C) The date of termination of the Optionee's relationship as a Service Provider for the following reasons other than for Cause.

(1) The resignation of the Optionee with the consent of the Group Companies results in the termination of his/her employment contract, (2) the Optionee does not apply to renew his/her employment contract and leaves the Group Companies upon the expiration of his/her employment contract, (3) the employment contract of the Optionee is rescinded by the Group Companies for any of the following circumstances on the part of the Optionee (i.e., the circumstances stipulated in Article 40 of the Labor Contract Law of the People's Republic of China): (x) the Optionee is sick or suffers from work-related injury and is unable to resume his/her original work or engage in other work otherwise arranged by the Group Companies upon the completion of the specified medical treatment period, (y) the Optionee is incompetent in his/her work and fails to be competent in his/her work even after training or an adjustment of post, and (z) the objective conditions based on which the employment contract was signed between the Optionee and the Group Companies have undergone material changes, which results in the impossibility to perform such employment contract, and the parties fail to reach an agreement in respect of modification to such labor contract through negotiation.

(ii) Following the termination of the Optionee's relationship as a Service Provider for reasons set forth in Section 6(h)(i), such Optionee may (a) exercise all or part of such Optionee's Option at any time before the expiration of the Option as set forth in Section 6(h)(i) hereof, but only to the extent that the Option was vested and exercisable as of the date of termination of such Optionee's relationship as a Service Provider (or became vested and exercisable as a result of the termination), and subject to the provisions under Section 6(f); and (b) the balance of the Shares subject to the Option shall be forfeited on the date of termination of the Optionee's relationship as a Service Provider, in the event such Optionee has prepaid any Exercise Price for such Optioned Shares, the Company shall or shall designate any other Group Company to repay to such Optionee such Exercise Price.

(iii) For the avoidance of any doubt, Sections 6(h)(i) and 6(h)(ii) shall not apply to Qualified Former Employees.

(i) Leave of Absence. Unless otherwise determined by the Administrator, for purposes of this Section 6, the service of an Optionee as a Service Provider shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing. Unless otherwise determined by the Administrator and subject to Applicable Law, vesting of an Option shall be suspended during any unpaid leave of absence.

(j) Death of Optionee.

(i) If an Optionee dies or was declared dead, then the Optionee's Option shall expire on the expiration date determined by Section 6(e) hereof

(ii) If an Optionee dies or was declared dead, all or part of the Optionee's Option may be exercised at any time before the expiration of the Option as set forth in Section 6(j)(i) hereof by the executors or administrators of the Optionee's estate or by any person who has acquired the Option directly from the Optionee by beneficiary designation, bequest, or inheritance, but only to the extent that the Option was vested and exercisable as of the date of the Optionee's death or had become vested and exercisable as a result of the death. The balance of the Shares subject to the Option shall be forfeited upon the Optionee's death. Any Optioned Shares subject to the portion of the Option that are vested as of the Optionee's death but that are not purchased prior to the expiration of the Option pursuant to this Section 6(j) shall be forfeited immediately following the Option's expiration.

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(k) Special Adjustment

(i) If the Optionee or his/her affiliate violates the non-compete obligation with the Group Companies (including that the Optionee or his/her affiliate engages in business competing with the Group Companies through the enterprise he/she invests in), then (A) the unexercised Option held by the Optionee (including the Option that has been or has not been vested) shall expire upon receipt of a written notice from the Group Companies. If the Optionee has prepaid the Exercise Price for such expired Option, the Company shall by itself or cause other Group Companies to repay such prepaid Exercise Price; (B) if the Optionee holds any Optioned Shares at the time, the Optionee shall, within ten (10) business days upon his/her receipt of the written notice from the Company, sell the Optioned shares to the Company or a third party designated by the Company at the Exercise Price of such Optioned Shares. For the purpose of this Section, "affiliate" means the spouse and lineal descendants (whether with blood relationship or adoptive relationship) of a natural person and any trust created and maintained solely for the benefits of such person, his/her spouse, parents or children. In addition, the Optionee shall pay the Group Companies or the designated person of the Group Companies liquidated damages if he/she breaches the non-compete obligation, which liquidated damages shall be calculated as follows: the compensation for non-compete already paid to such Optionee by the Group Companies  $\times 2$  + the annual income of such Optionee for the year immediately prior to his/her resignation (before tax)  $\times 10$ . If the Optionee signs a separate non-compete agreement with the Group Companies, and the liquidated damages for breach of non-compete obligation agreed therein is higher than those of this clause, then the liquidated damages payable by the Optionee to the Group Companies shall be subject to those provided by such non-compete agreement.

(ii) If the Optionee discloses the trade secrets of the Group Companies, or conducts related party transactions with the Group Companies and damages the benefits of the Group Companies, then (A) the unexercised Option held by the Optionee (including the Option that has been or has not been vested) shall expire upon receipt of the written notice from the Group Companies. If the Optionee has prepaid the Exercise Price for such expired Option, the Company shall by itself or cause other Group Companies to repay such prepaid Exercise Price; (B) if the Optionee holds any Optioned Shares at the time, the Optionee shall, within ten (10) business days upon his/her receipt of the written notice from the Company, sell the Optioned shares to the Company or a third party designated by the Company at the Exercise Price of such Optioned Shares. In respect of any loss caused due to the disclosure of the trade secrets of the Group Companies by the Optionee or the conduct of related party transactions by the Optionee with the Group Companies, the Optionee shall make compensation to the Group Companies.

(iii) Default. Under any circumstance provided in Section 6(k)(i) or Section 6(k)(ii), the Optionee shall cooperate with the Company to complete the repurchase of his/her Optioned Shares in accordance with Section 6(k)(i) or Section 6(k)(ii), as the case may be, by the Company. If the repurchase is not completed within the stipulated time limit for the reason of the Optionee, the Optionee shall be deemed in material breach and shall pay the Company or any other Group Company designated by the Company liquidated damages equivalent to 0.05% of Fair Market Value of the Optioned Shares held by such Optionee on the date of repurchase notice for each day of delay.

(iv) Special Adjustment during Market Stand-Off. If any circumstance under Section 6(k)(i) or Section 6(k)(ii) happens within the Market Stand-Off Period, as a result of which the Company is unable to repurchase the Optioned Shares of such Optionee according to Applicable Laws, such Optionee may still hold such Optioned Shares, provided that the Optionee shall compensate the Group Companies at the Fair Market Value of the Optioned Shares at the date of claim made by the Group Companies against the Optionee if no objection is raised, or at the date of determination of related facts by the court or arbitral tribunal if any objection is raised. (The formula shall be as follows: the per Share Fair Market Value × the number of Optioned Shares held by the Optionee). The amount of compensation to be made by the Optionee to the Group Companies arising out of breach of non-compete obligation or damage of the Company's interests by the Optionee shall be calculated separately.

(v) For the avoidance of any doubt, Sections 6(k)(i) to 6(k)(iv) shall not apply to Qualified Former Employees.

(l) Market Stand-Off Period. Optionee agrees that unless otherwise with a written consent of the Company, Optionee shall not directly or indirectly sell or transfer any Optioned Shares acquired under the Option Agreement during the Market Stand-Off Period.

(m) Restrictions on Transfer of Shares. Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase or redemption, rights of first refusal, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

#### 7. Terms and Conditions of Restricted Share Purchase Rights.

(a) Restricted Share Purchase Agreement. Each Restricted Share Purchase Right under the Plan shall be evidenced by a Restricted Share Purchase Agreement, respectively, between the Purchaser and the Company. Each Restricted Share Purchase Right shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Administrator deems appropriate for inclusion in a Restricted Share Purchase Agreement, including without limitation, (i) the number of Shares subject to such Restricted Share Purchase Agreement, as applicable, or a formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment for the Shares, (iii) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (iv) such terms and conditions on the grant, issuance, vesting, settlement and/or forfeiture of the Shares as may be determined from time to time by the Administrator and (v) restrictions on the transferability of the Award. The provisions of the various Restricted Share Purchase Agreements entered into under the Plan need not be identical.

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(b) Duration of Offers of Restricted Share Purchase Rights. Any Restricted Share Purchase Rights granted under the Plan shall automatically expire if not exercised by the Purchaser within such time as is specified in the Restricted Share Purchase Agreement.

(c) Purchase Price. The Purchase Price, if any, shall be determined by the Administrator in its sole discretion. The Purchase Price, if any, shall be payable in a form described in Section 9 hereof.

(d) Restrictions on Transfer of Shares. Any Shares awarded or sold pursuant to Restricted Share Purchase Rights shall be subject to such special forfeiture conditions, rights of repurchase or redemption, rights of first refusal, market stand-offs, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Restricted Share Purchase Agreement, as applicable, and shall apply in addition to any restrictions that may apply to holders of Shares generally. Unless otherwise determined by the Administrator and subject to Applicable Law, vesting of Shares acquired pursuant to a Restricted Share Purchase Agreement shall be suspended during any unpaid leave of absence.

8. Withholding Taxes. As a condition to the exercise of an Option or purchase of Restricted Shares, the Awardee (or in the case of the Awardee's death or in the event of a permissible transfer of Awards hereunder, the person exercising the Option or purchasing Restricted Shares) shall make such arrangements as the Administrator may require for the satisfaction of any applicable withholding taxes arising in connection with the exercise of an Option or purchase of Restricted Shares under the laws of any applicable jurisdiction including the Cayman Islands, the PRC, the U.S., Hong Kong and any other jurisdiction. The Awardee (or in the case of the Awardee's death or in the event of a permissible transfer of Awards hereunder, the person exercising the Option or purchasing Restricted Shares) also shall make such arrangements as the Administrator may require for the satisfaction of any applicable British Virgin Islands, PRC, Hong Kong, U.S., or non-Cayman Islands, non-PRC, non-Hong Kong and non-U.S. withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option or purchasing Restricted Shares. The Company shall not be required to issue any Shares under the Plan until the foregoing obligations are satisfied. Without limiting the generality of the foregoing, upon the exercise of the Option or delivery of Restricted Shares or Share or Award, the Company shall have the right to withhold taxes from any compensation or other amounts that the Company may owe to the Awardee, or to require the Awardee to pay to the Company the amount of any taxes that the Company may be required to withhold with respect to the Shares issued to the Awardee. Without limiting the generality of the foregoing, the Administrator in its discretion may authorize the Awardee to satisfy all or part of any withholding tax liability by (i) having the Company withhold from the Shares that would otherwise be issued upon the exercise of an Option or purchase of Restricted Shares that number of Shares having a Fair Market Value, as of the date the withholding tax liability arises, equal to the portion of the Company's withholding tax liability to be so satisfied or (ii) by delivering to the Company previously owned and unencumbered Shares having a Fair Market Value, as of the date the withholding tax liability arises, equal to the amount of the Company's withholding tax liability to be so satisfied.

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9. Payment for Shares. The consideration to be paid for the Shares to be issued under the Plan, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined on the Date of Grant), subject to the provisions in this Section 9.

(a) General Rule. The entire Purchase Price or Exercise Price (as the case may be) for Shares issued under the Plan shall be payable in cash or cash equivalents at the time when the Shares are purchased, except as otherwise provided in this Section 9.

(b) Surrender of Shares. To the extent that an Option Agreement or a Restricted Share Purchase Agreement so provides, all or any part of the Exercise Price or Purchase Price (as the case may be) may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Awardee. These Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date the Option is exercised or Restricted Shares are purchased. The Awardee shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price or Purchase Price (as the case may be) if this action would subject the Company to adverse accounting consequences and is objected by the Company, as determined by the Administrator.

(c) Services Rendered. At the discretion of the Administrator and to the extent so provided in the agreements, Shares may be awarded under the Plan in consideration of services rendered to the Company or any Parent or Subsidiary prior to the Award.

(d) Exercise/Sale. At the discretion of the Administrator and to the extent an Option Agreement so provides, and if the Shares are publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(e) Exercise/Pledge. At the discretion of the Administrator and to the extent an Option Agreement so provides, and if the Shares are publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(f) Other Forms of Consideration. At the discretion of the Administrator and to the extent an Option Agreement or a Restricted Share Purchase Agreement so provides, all or a portion of the Exercise Price or Purchase Price may be paid by any other form of consideration and method of payment to the extent permitted by Applicable Law.



10. Non-transferability of Awards. Unless otherwise determined by the Administrator and so provided in this Plan, the applicable Option Agreement or Restricted Share Purchase Agreement (or be amended to provide), no Award shall be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner (whether by operation of law or otherwise) other than (i) by inheritance or distribution by will or (except in the case of an Incentive Stock Option) pursuant to an effective civil judgment or ruling or (ii) by trusts or companies established in connection with any employee benefit plan of the Company (including the Plan) for the benefit of a Service Provider or Service Providers, in each case of (i) and (ii), subject to Applicable Law, and shall not be subject to execution, attachment, or similar process. In the event the Administrator in its sole discretion makes an Award transferable, only a Non-statutory Stock Option, Restricted Share Purchase Right may be transferred provided such Award is transferred without payment of consideration to members of the Awardee's immediate family (as such term is defined in Rule 16a-1(e) of the Exchange Act) or to trusts or partnerships established exclusively for the benefit of the Awardee and the members of the Awardee's immediate family, all as permitted by Applicable Law. Upon any attempt to pledge, assign, hypothecate, transfer, or otherwise dispose of any Award or of any right or privilege conferred by this Plan contrary to the provisions hereof, or upon the sale, levy or attachment or similar process upon the rights and privileges conferred by this Plan, such Award shall thereupon terminate and become null and void. Incentive Stock Options may be exercised during the lifetime of the Awardee only by the Awardee.

11. Rights as a Member. Before the consummation of the initial public offering of the Shares of the Company, Shares issued pursuant to the exercise of Options or Restricted Shares issued under the Restricted Share Purchase Agreements shall not carry any voting right. Until the Shares actually are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to receive dividends or any other rights as a member shall exist with respect to the Shares, notwithstanding the exercise of the Award. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 of the Plan.

12. Adjustment of Shares.

(a) Changes in Capitalization. Subject to any required action by the members of the Company in accordance with Applicable Law, the class(es) and number and type of Shares that have been authorized for issuance under the Plan but as to which no Awards have yet been granted or that have been returned to the Plan upon cancellation or expiration of an Award, and the class(es), number, and type of Shares covered by each outstanding Award, as well as the price per Share covered by each outstanding Award, shall be proportionately adjusted for any increase, decrease, or change in the number or type of outstanding Shares or other securities of the Company or exchange of outstanding Shares or other securities of the Company into or for a different number or type of shares or other securities of the Company or successor entity, or for other property (including, without limitation, cash) or other change to the Shares resulting from a share split, reverse share split, share dividend, dividend in property other than cash, combination of shares, exchange of shares, consolidation, recapitalization, reincorporation, reorganization, change in corporate structure, reclassification, or other distribution of the Shares effected without receipt of consideration by the Company; provided, however, that the conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." The adjustment contemplated in this Section 12(a) shall be made by the Board, whose determination shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of equity securities of the Company of any class, or securities convertible into equity securities of the Company of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number, type, or price of Shares subject to an Award. Where an adjustment under this Section 12(a) is made to an Incentive Stock Option, the adjustment shall be made in a manner that will not be considered a "modification" under the provisions of Section 424(h)(3) of the Code.

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(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Awardee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to exercise his or her Option until fifteen (15) days prior to the proposed dissolution or liquidation as to all of the Optioned Shares covered thereby, including Shares as to which the Option would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase or redemption option applicable to any Shares purchased upon exercise of an Option or Restricted Shares purchased under a Restricted Share Purchase Right shall lapse as to all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent an Option has not been previously exercised and all Restricted Shares covered by a Restricted Share Purchase Right have not been purchased, the Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a Change in Control, unless the Option Agreement or Restricted Share Purchase Agreement or any other agreement between the Company and the Optionee provides otherwise, each outstanding Option shall be assumed or an equivalent option shall be substituted by, and each right of the Company to repurchase, redeem or reacquire Shares upon termination of a Purchaser's relationship as a Service Provider shall be assigned to, the successor corporation or a Parent or Subsidiary of the successor corporation. If, in the event of a Change in Control, the Option is not assumed or substituted, or the repurchase, redemption or reacquisition or similar right is not assigned, in the case of an outstanding Option, the Option shall fully vest immediately and the Awardee shall have the right to exercise the Option as to all of the Optioned Shares, including Shares as to which it would not otherwise be vested or exercisable, and, in the case of Restricted Shares, the Company's repurchase, redemption or reacquisition or similar right shall lapse immediately and all of the Restricted Shares subject to the repurchase, redemption or reacquisition or similar right shall become vested. If an Option becomes fully vested and exercisable, in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the Optionee in writing or electronically that the Option shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option shall terminate upon the expiration of such period. For purposes of this Section 12(c), an Option shall be considered assumed, and Restricted Shares will be considered assigned if, following the Change in Control, the Award confers the right to purchase or receive, for each covered Share immediately prior to the Change in Control, the consideration (whether shares, cash, or other securities or property) received in connection with the Change in Control by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if the consideration received in the Change in Control is not solely ordinary stock or ordinary shares of the successor corporation or its Parent or Subsidiary, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or vesting of the Restricted Shares, for each covered Share, to be solely ordinary stock or ordinary shares of the successor corporation or its Parent or Subsidiary equal in Fair Market Value to the per Share consideration received by holders of Shares in the Change in Control.

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(d) Reservation of Rights. Except as provided in this Section 12 and in the applicable Option Agreement or Restricted Share Purchase Agreement, an Awardee shall have no rights by reason of (i) any subdivision or consolidation of Shares or other securities of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of Shares or other securities of any class. Any issuance by the Company of equity securities of any class, or securities convertible into equity securities of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Optioned Shares. The grant of an Option, Restricted Share Purchase Right shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

13. Date of Grant. The Date of Grant of an Award shall, for all purposes, be the date on which the applicable Option Agreement or Restricted Share Purchase Agreement is duly executed and delivered by the Company and the applicable Awardee, or such other later date as is determined by the Administrator; provided, however, that the Date of Grant of an Incentive Stock Option shall be no earlier than the date on which the Service Provider becomes an Employee.

14. Securities Law Requirements.

(a) Legal Compliance. Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and nor shall it have any liability for failure to deliver any Shares under the Plan unless the issuance and delivery of Shares comply with (or are exempt from) all Applicable Law, including, without limitation, the applicable securities laws in the PRC, Hong Kong and the Cayman Islands, Securities Act, U.S. state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. Shares delivered under the Plan shall be subject to transfer restrictions, and the person acquiring the Shares shall, as a condition to the exercise of an Option or the purchase or acquisition of Restricted Shares if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with Applicable Law, including, without limitation, the representation and warranty at the time of acquisition of Shares that the Shares are being acquired only for investment purposes and without any present intention to sell, transfer, or distribute the Shares.

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15. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. Approval by Board. The Plan shall be subject to approval by the Board. Such Board's approval shall be obtained in the degree and manner required under Applicable Law.

17. Duration and Amendment.

(a) Term of Plan. The Plan shall become effective on [January 1 of the year following the completion of a Qualified IPO]. Unless sooner terminated under Section 17(b) hereof, the Plan shall continue in effect for a term of [five (5) years].

(b) Amendment and Termination. The Board may at any time amend, alter, suspend, or terminate the Plan.

(c) Approval by Members. The Board shall obtain approval of the members of this Plan or any Plan amendment to the extent necessary and desirable to comply with Applicable Law.

(d) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall materially and adversely impair the rights of any Awardee with respect to an outstanding Award, unless mutually agreed otherwise between the Awardee and the Administrator, which agreement must be in writing and signed by the Awardee and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Award granted prior to the termination of the Plan.

18. Legending Share Certificates. In order to enforce any restrictions imposed upon Shares issued upon the exercise of Options or the acquisition of Restricted Shares, including, without limitations, the restrictions described in Sections 6(l), 6(m), 7(d), and 14(b) hereof, the Administrator may cause a legend or legends to be placed on any share certificates representing the Shares, which legend or legends shall make appropriate reference to the restrictions, including, without limitation, a restriction against sale of the Shares for any period as may be required by Applicable Law.

19. No Retention Rights. Neither the Plan nor any Award shall confer upon any Awardee any right to continue his or her relationship as a Service Provider with the Company for any period of specific duration or interfere in any way with his or her right or the right of the Company (or any Parent or Subsidiary employing or retaining the Awardee), which rights are hereby expressly reserved by each, to terminate this relationship at any time, with or without cause, and with or without notice.

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20. No Registration Rights. The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other Applicable Law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Plan to comply with any law.

21. No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Parent or Subsidiary and an Awardee or any other person. To the extent that any Awardee acquires a right to receive payments from the Company or any Parent or Subsidiary pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company, a Parent, or any Subsidiary.

22. No Rights to Awards. No Awardee, eligible Service Provider, or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of a Service Provider, Awardee, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Awardee or with respect to different Awardees.

23. Language. This document is prepared in English. The Chinese language translation is provided for reference only. In the event there is any discrepancy between the two versions, the English version shall prevail.

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## NIO INC.

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is made as of \_\_\_\_\_, 2018 by and between NIO Inc., an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands (the "Company"), and \_\_\_\_\_ ([Passport/ID] Number \_\_\_\_\_) (the "Indemnitee").

WHEREAS, the Indemnitee has agreed to serve as a director or executive officer of the Company and in such capacity will render valuable services to the Company; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to render valuable services to the Company, the board of directors of the Company (the "Board of Directors") has determined that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its shareholders;

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth, and other good and valuable consideration, including, without limitation, the service of the Indemnitee, the receipt of which hereby is acknowledged, and in order to induce the Indemnitee to render valuable services the Company, the Company and the Indemnitee hereby agree as follows:

**1. Definitions.** As used in this Agreement:

(a) "Change in Control" shall mean a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar or successor schedule or form) promulgated under the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Act"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred (irrespective of the applicability of the initial clause of this definition) if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act, but excluding any trustee or other fiduciary holding securities pursuant to an employee benefit or welfare plan or employee share plan of the Company or any subsidiary or affiliate of the Company, or any entity organized, appointed, established or holding securities of the Company with voting power for or pursuant to the terms of any such plan) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities without the prior approval of at least two-thirds of the Continuing Directors (as defined below) in office immediately prior to such person's attaining such interest; (ii) the Company is a party to a merger, consolidation, scheme of arrangement, sale of assets or other reorganization, or a proxy contest, as a consequence of which Continuing Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors of the Company (or any successor entity) thereafter; or (iii) during any period of two (2) consecutive years, Continuing Directors cease for any reason to constitute at least a majority of the Board of Directors of the Company.

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(b) “Continuing Director” shall mean an individual (i) who served on the Board of Directors of the Company at the effective date of the Company’s registration statement on Form F-1 relating to the Company’s initial public offering; or (ii) whose election or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds of the Continuing Directors then in office.

(c) “Disinterested Director” with respect to any request by the Indemnitee for indemnification or advancement of expenses hereunder shall mean a director of the Company who neither is nor was a party to the Proceeding (as defined below) in respect of which indemnification or advancement is being sought by the Indemnitee.

(d) The term “Expenses” shall mean, without limitation, expenses of Proceedings, including attorneys’ fees, disbursements and retainers, accounting and witness fees, expenses related to preparation for service as a witness and to service as a witness, travel and deposition costs, expenses of investigations, judicial or administrative proceedings and appeals, amounts paid in settlement of a Proceeding by or on behalf of the Indemnitee, costs of attachment or similar bonds, any expenses of attempting to establish or establishing a right to indemnification or advancement of expenses, under this Agreement, the Company’s Memorandum of Association and Articles of Association as currently in effect (the “Articles”), applicable law or otherwise, and reasonable compensation for time spent by the Indemnitee in connection with the investigation, defense or appeal of a Proceeding or action for indemnification for which the Indemnitee is not otherwise compensated by the Company or any third party. The term “Expenses” shall not include the amount of judgments, fines, interest or penalties, which are actually levied against or sustained by the Indemnitee to the extent sustained after final adjudication.

(e) The term “Independent Legal Counsel” shall mean any firm of attorneys reasonably selected by the Board of Directors of the Company, so long as such firm has not represented the Company, the Company’s subsidiaries or affiliates, the Indemnitee, any entity controlled by the Indemnitee, or any party adverse to the Company, within the preceding five (5) years. Notwithstanding the foregoing, the term “Independent Legal Counsel” shall not include any person who, under applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee’s right to indemnification or advancement of expenses under this Agreement, the Company’s Articles, applicable law or otherwise.

(f) The term “Proceeding” shall mean any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, or other proceeding (including, without limitation, an appeal therefrom), formal or informal, whether brought in the name of the Company or otherwise, whether of a civil, criminal, administrative or investigative nature, and whether by, in or involving a court or an administrative, other governmental or private entity or body (including, without limitation, an investigation by the Company or its Board of Directors), by reason of (i) the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, whether or not the Indemnitee is serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement is to be provided under this Agreement, (ii) any actual or alleged act or omission or neglect or breach of duty, including, without limitation, any actual or alleged error or misstatement or misleading statement, which the Indemnitee commits or suffers while acting in any such capacity, or (iii) the Indemnitee attempting to establish or establishing a right to indemnification or advancement of expenses pursuant to this Agreement, the Company’s Articles, applicable law or otherwise.

(g) The phrase “serving at the request of the Company as an agent of another enterprise” or any similar terminology shall mean, unless the context otherwise requires, serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic. The phrase “serving at the request of the Company” shall include, without limitation, any service as a director/an executive officer of the Company which imposes duties on, or involves services by, such director/executive officer with respect to the Company or any of the Company’s subsidiaries, affiliates, employee benefit or welfare plans, such plan’s participants or beneficiaries or any other enterprise, foreign or domestic. In the event that the Indemnitee shall be a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic, 50% or more of the ordinary shares, combined voting power or total equity interest of which is owned by the Company or any subsidiary or affiliate thereof, then it shall be presumed conclusively that the Indemnitee is so acting at the request of the Company.

**2. Services by the Indemnitee.** The Indemnitee agrees to serve as a director or officer of the Company under the terms of the Indemnitee’s agreement with the Company for so long as the Indemnitee is duly elected or appointed or until such time as the Indemnitee tenders a resignation in writing or is removed from the Indemnitee’s position; provided, however, that the Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or other obligation imposed by operation of law).

**3. Proceedings by or in the Right of the Company.** The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, which are actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of such a Proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this section shall be made in respect of any claim, issue or matter as to which such person shall have been adjudicated by final judgment by a court of competent jurisdiction to be liable to the Company for willful misconduct in the performance of his/her duty to the Company, unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which such other court shall deem proper.



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**4. Proceeding Other Than a Proceeding by or in the Right of the Company.** The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Company) by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, which are actually and reasonably incurred by the Indemnitee in connection with such a Proceeding, to the fullest extent permitted by applicable law; provided, however, that any settlement of a Proceeding must be approved in advance in writing by the Company (which approval shall not be unreasonably withheld).

**5. Indemnification for Costs, Charges and Expenses of Witness or Successful Party.** Notwithstanding any other provision of this Agreement (except as set forth in subparagraph 9(a) hereof), and without a requirement for determination as required by Paragraph 8 hereof, to the extent that the Indemnitee (a) has prepared to serve or has served as a witness in any Proceeding in any way relating to (i) the Company or any of the Company's subsidiaries, affiliates, employee benefit or welfare plans or such plan's participants or beneficiaries or (ii) anything done or not done by the Indemnitee as a director or officer of the Company or in connection with serving at the request of the Company as an agent of another enterprise, or (b) has been successful in defense of any Proceeding or in defense of any claim, issue or matter therein, on the merits or otherwise, including the dismissal of a Proceeding without prejudice or the settlement of a Proceeding without an admission of liability, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith to the fullest extent permitted by applicable law.

**6. Partial Indemnification.** If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses, judgments, fines, interest or penalties, which are actually and reasonably incurred by the Indemnitee in the investigation, defense, appeal or settlement of any Proceeding, but not, however, for the total amount of the Indemnitee's Expenses, judgments, fines, interest or penalties, then the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, interest or penalties to which the Indemnitee is entitled.

**7. Advancement of Expenses.** The Expenses incurred by the Indemnitee in any Proceeding shall be paid promptly by the Company in advance of the final disposition of the Proceeding at the written request of the Indemnitee, to the fullest extent permitted by applicable law; provided, however, that the Indemnitee shall set forth in such request reasonable evidence that such Expenses have been incurred by the Indemnitee in connection with such Proceeding, a statement that such Expenses do not relate to any matter described in subparagraph 9(a) of this Agreement, and an undertaking in writing to repay any advances if it is ultimately determined as provided in subparagraph 8(b) of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement.

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**8. Indemnification Procedure; Determination of Right to Indemnification.**

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any Proceeding, the Indemnitee shall, if a claim for indemnification or advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof in writing. The failure and delay to so notify the Company will not relieve the Company from any liability which the Company may have to the Indemnitee under this Agreement unless the Company shall have lost significant substantive or procedural rights with respect to the defense of any Proceeding as a result of such omission to so notify.

(b) The Indemnitee shall be conclusively presumed to have met the relevant standards of conduct, if any, as defined by applicable law, for indemnification pursuant to this Agreement and shall be absolutely entitled to such indemnification, unless a determination is made that the Indemnitee has not met such standards by (i) the Board of Directors by a majority vote of a quorum thereof consisting of Disinterested Directors, (ii) the shareholders of the Company by majority vote of a quorum thereof consisting of shareholders who are not parties to the Proceeding due to which a claim for indemnification is made under this Agreement, (iii) Independent Legal Counsel as set forth in a written opinion (it being understood that such Independent Legal Counsel shall make such determination only if the quorum of Disinterested Directors referred to in clause (i) of this subparagraph 8(b) is not obtainable or if the Board of Directors of the Company by a majority vote of a quorum thereof consisting of Disinterested Directors so directs), or (iv) a court of competent jurisdiction; provided, however, that if a Change in Control shall have occurred and the Indemnitee so requests in writing, such determination shall be made only by a court of competent jurisdiction.

(c) If a claim for indemnification or advancement of Expenses under this Agreement is not paid by the Company within thirty (30) days after receipt by the Company of written notice thereof, the rights provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction. Such judicial proceeding shall be made de novo. The burden of proving that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the directors or shareholders of the Company or Independent Legal Counsel to have made a determination prior to the commencement of such action that indemnification or advancement of Expenses is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, if any, nor an actual determination by the directors or shareholders of the Company or Independent Legal Counsel that the Indemnitee has not met the applicable standard of conduct shall be a defense to an action by the Indemnitee or create a presumption for the purpose of such an action that the Indemnitee has not met the applicable standard of conduct. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (i) create a presumption that the Indemnitee did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Company and/or its shareholders, and, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his conduct was unlawful or (ii) otherwise adversely affect the rights of the Indemnitee to indemnification or advancement of Expenses under this Agreement, except as may be provided herein.

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(d) If a court of competent jurisdiction shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication (including, but not limited to, any appellate proceedings).

(e) With respect to any Proceeding for which indemnification or advancement of Expenses is requested, the Company will be entitled to participate therein at its own expense and, except as otherwise provided below, to the extent that it may wish, the Company may assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a Proceeding, the Company will not be liable to the Indemnitee under this Agreement for any Expenses subsequently incurred by the Indemnitee in connection with the defense thereof, other than as provided below. The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. The Indemnitee shall have the right to employ his/her own counsel in any Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense of the Proceeding shall be at the expense of the Indemnitee, unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of a Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of a proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be advanced by the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee.

**9. Limitations on Indemnification.** No payments pursuant to this Agreement shall be made by the Company:

(a) To indemnify or advance funds to the Indemnitee for Expenses with respect to (i) Proceedings initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under applicable law or (ii) Expenses incurred by the Indemnitee in connection with preparing to serve or serving as a witness in cooperation with any party or entity who or which has threatened or commenced any action or proceeding against the Company, or any director, officer, employee, trustee, agent, representative, subsidiary, parent corporation or affiliate of the Company, but such indemnification or advancement of Expenses in each such case may be provided by the Company if the Board of Directors finds it to be appropriate;

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(b) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties sustained in any Proceeding for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance;

(c) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties sustained in any Proceeding for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Act or similar provisions of any foreign or United States federal, state or local statute or regulation;

(d) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties for which the Indemnitee is indemnified by the Company otherwise than pursuant to this Agreement;

(e) To indemnify the Indemnitee for any Expenses (including without limitation any Expenses relating to a Proceeding attempting to enforce this Agreement), judgments, fines, interest or penalties on account of the Indemnitee's conduct if such conduct shall be finally adjudged to have been knowingly fraudulent or deliberately dishonest or to have constituted willful misconduct, including, without limitation, breach of the duty of loyalty; or

(f) If a court of competent jurisdiction finally determines that any indemnification hereunder is unlawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under securities laws is against public policy and is, therefore, unenforceable;

(g) To indemnify the Indemnitee in connection with Indemnitee's personal tax matter; or

(h) To indemnify the Indemnitee with respect to any claim related to any dispute or breach arising under any contract or similar obligation between the Company or any of its subsidiaries or affiliates and such Indemnitee.

**10. Continuation of Indemnification.** All agreements and obligations of the Company contained herein shall continue during the period that the Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as an agent of another enterprise, foreign or domestic) and shall continue thereafter so long as the Indemnitee shall be subject to any possible Proceeding by reason of the fact that the Indemnitee was a director or officer of the Company or serving in any other capacity referred to in this Paragraph 10.

**11. Indemnification Hereunder Not Exclusive.** The indemnification provided by this Agreement shall not be deemed to be exclusive of any other rights to which the Indemnitee may be entitled under the Company's Articles, any agreement, vote of shareholders or vote of Disinterested Directors, provisions of applicable law, or otherwise, both as to action or omission in the Indemnitee's official capacity and as to action or omission in another capacity on behalf of the Company while holding such office.

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**12. Successors and Assigns.**

(a) This Agreement shall be binding upon the Indemnitee, and shall inure to the benefit of, the Indemnitee and the Indemnitee's heirs, executors, administrators and assigns, whether or not the Indemnitee has ceased to be a director or officer, and the Company and its successors and assigns. Upon the sale of all or substantially all of the business, assets or share capital of the Company to, or upon the merger of the Company into or with, any corporation, partnership, joint venture, trust or other person, this Agreement shall inure to the benefit of and be binding upon both the Indemnitee and such purchaser or successor person. Subject to the foregoing, this Agreement may not be assigned by either party without the prior written consent of the other party hereto.

(b) If the Indemnitee is deceased and is entitled to indemnification under any provision of this Agreement, the Company shall indemnify the Indemnitee's estate and the Indemnitee's spouse, heirs, executors, administrators and assigns against, and the Company shall, and does hereby agree to assume, any and all Expenses actually and reasonably incurred by or for the Indemnitee or the Indemnitee's estate, in connection with the investigation, defense, appeal or settlement of any Proceeding. Further, when requested in writing by the spouse of the Indemnitee, and/or the Indemnitee's heirs, executors, administrators and assigns, the Company shall provide appropriate evidence of the Company's agreement set out herein to indemnify the Indemnitee against and to itself assume such Expenses.

**13. Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

**14. Severability.** Each and every paragraph, sentence, term and provision of this Agreement is separate and distinct so that if any paragraph, sentence, term or provision thereof shall be held to be invalid, unlawful or unenforceable for any reason, such invalidity, unlawfulness or unenforceability shall not affect the validity, unlawfulness or enforceability of any other paragraph, sentence, term or provision hereof. To the extent required, any paragraph, sentence, term or provision of this Agreement may be modified by a court of competent jurisdiction to preserve its validity and to provide the Indemnitee with the broadest possible indemnification permitted under applicable law. The Company's inability, pursuant to a court order or decision, to perform its obligations under this Agreement shall not constitute a breach of this Agreement.

**15. Savings Clause.** If this Agreement or any paragraph, sentence, term or provision hereof is invalidated on any ground by any court of competent jurisdiction, the Company shall nevertheless indemnify the Indemnitee as to any Expenses, judgments, fines, interest or penalties, which are incurred with respect to any Proceeding to the fullest extent permitted by any (a) applicable paragraph, sentence, term or provision of this Agreement that has not been invalidated or (b) applicable law.

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**16. Interpretation; Governing Law.** This Agreement shall be construed as a whole and in accordance with its fair meaning and any ambiguities shall not be construed for or against either party. Headings are for convenience only and shall not be used in construing meaning. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.

**17. Amendments.** No amendment, waiver, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by the party against whom enforcement is sought. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Company's Articles, or by other agreements, including directors' and officers' liability insurance policies, of the Company.

**18. Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other.

**19. Notices.** Any notice required to be given under this Agreement shall be directed to the Chief Financial Officer of the Company at Building 20, No. 56 AnTuo Road, Jiading District, Shanghai 201804, People's Republic of China, and to the Indemnitee at \_\_\_\_\_ or to such other address as either shall designate to the other in writing.

*[The remainder of this page is intentionally left blank.]*

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IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date first written above.

**INDEMNITEE**

\_\_\_\_\_  
Name:

**NIO Inc.**

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Indemnification Agreement]*

上海蔚来汽车有限公司

NIO Co., Ltd.

与

And

【        】

之

劳动合同

Employment Contract

第 1 页



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**序言**

本《劳动合同》（以下简称本“合同”）于【      年      月      日】由以下双方在中华人民共和国境内签订：

- **上海蔚来汽车有限公司**，其营业地址在上海市嘉定区安亭镇安驰路569号115室（以下简称“公司”）；及
- **【      】**，**【美国】**，护照号码为**【      】**，居住地址为**【      】**（以下简称“员工”）

（公司及员工以下统称为“双方”，如情况需要，可为单数形式“一方”）。

甲乙双方根据《中华人民共和国劳动法》、《中华人民共和国劳动合同法》、《上海市劳动合同条例》以及其它有关的法律法规、地方性法规和规章的规定（“劳动法律”），以及内部规章制度（定义见下文）的约束，在平等自愿、协商一致的基础上，签订本合同。双方在此承诺共同遵守本合同，且确认本合同为双方解决争议时的依据。

员工在此向公司陈述并保证：(i) 其已在公司指定或认可之医院处进行体格检验，并被证实健康；(ii) 其已获得公司所要求的学位和学历及相关的经验；(iii) 其已解除与任何前任雇主的劳动关系并且不与任何第三方具有现存的劳动关系（如适用）；否则员工将承担由此引起的任何劳动争议的责任；(iv) 在签订本合同之前已经仔细阅读并理解内部规章制度；(v) 公司雇佣员工不会导致员工违反员工与任何前任雇主或为其他业务签订的任何协议，并且员工不得从事任何违反此类协议的行为；(vi) 员工不得使用或向公司泄露任何属于其他人的保密信息；(vii) 员工不是将会限制或影响员工向公司履行义务的任何协议的一方，且员工也不对任何人负有此类限制或影响员工向公司履行义务的责任。

**PREFACE**

This employment contract (this “Contract”) is entered into by and between the following parties on [      ] in the People’s Republic of China:

- **NIO Co., Ltd**, with its address at Room 115, No 569 Anchi Road, Anting, Shanghai (hereafter referred as the “Company”); and
- [      ], [USA], with passport number of [      ] and residence address at [      ] (hereafter referred as the “Employee”).

As needed, each party is hereinafter individually referred to as a “Party” and collectively as “Parties”.

Pursuant to the Labor Law of the PRC, the Employment Contract Law of the PRC, the Labor Contract Regulation of Shanghai, and other relevant laws, regulations, local regulations and government rules (the “Labor Laws”), and subject to the Internal Rules and Regulations (as defined below), the Parties have entered into this Contract on the basis of equality and consultation. The Parties hereby agree to observe this Contract and acknowledge that any disputes between the Parties shall be settled according to this Contract.

The Employee hereby represents and warrants to the Company that: he/she (i) has been confirmed to be healthy after a physical check-up by a hospital designated or recognized by the Company; (ii) has the education background and degree and relevant experience required by the Company; (iii) has terminated any other employment relationship with any former employer and has no existing employment relationship with any third parties (if applicable); otherwise the Employee shall be liable for any labor dispute arising therefrom; (iv) has thoroughly read and understood all the Internal Rules and Regulations before entering into this Contract; (v) The Employee’s employment by the Company will not cause the Employee to violate any agreement the Employee may have with any employer or other business, and the Employee shall not engage in any activities in violation of any such agreement; (vi) the Employee shall not use or disclose to the Company any confidential information belonging to others; (vii) the Employee is not a party to any agreement, and the Employee owes no duty to anyone, that limits or affects the Employee’s ability to perform the Employee’s duties for the Company.

**第 1 条 岗位和期限****Article 1 Position and Term**

1.1 根据公司的运作及生产需要,员工的岗位为【 】。该员工的主要工作地点为【上海】。公司保留权利给与合理的通知后变更工作地点。

In terms of the Company's operation demands, the Employee's position is [ ]. The job location of The Employee shall be mainly in [Shanghai]. The Company reserves the right to change the location of employment following reasonable notice.

1.2 本合同期限为：

The term of this Contract shall be:

固定期限：期限为【叁】年，即始于【 】，止于【 】。上述合同期限届满前，双方可依法协商续订本合同。如双方未能在合同期限届满日或之前就续订事宜达成一致意见，则本合同到期将依法自动终止。

Fixed term: with a term of [3] years, starting from [ ] and ending on [ ]. The Parties may extend this Contract legally before the expiration of this Contract. This Contract shall expire automatically if the Parties are unable to reach agreement on extension of this Contract on or before the expiration of this Contract according to the Labor Laws

1.3 双方谨同意上述第1.2 条规定的合同期间前【6个月】为试用期（以下简称“试用期”）。此试用期应包括在上述第 1.2条所指的期间内。

Both Parties hereby agree the first [6 month(s)] of the contract terms agreed in Article 1.2 is the probationary period (hereafter referred as "Probationary Period"). The Probationary Period shall be contained in the term of this Contract.

1.4 在试用期内，公司有权评估员工的技能及工作表现，以决定员工是否符合录用条件。如员工在试用期内被证实不符合录用条件 (由公司合理裁量决定)，包括但不限于有下列情形之一的，则公司有权根据本合同的规定立即与其解除本合同并解雇员工：

During the Probationary Period, the Company may conduct an appraisal of the Employee's professional skills and performances to decide the qualifications of the Employee. The Company may immediately terminate this Contract and dismiss the Employee in accordance with the clauses hereof, should the Employee be proved to not meet with the recruitment condition in the Probationary Period (as determined by the Company in the reasonable exercise of its discretion), including without limitation, by the Employee:

(a) 背景调查结果负面 (由公司合理裁量决定)；

Not having a positive background investigation (as determined by the Company in the reasonable exercise of its discretion);

(b) 未能提供其应聘或背景调查程序中需要的确切及完整的信息；

Failing to provide accurate and complete information as part of his/her application or background investigation process;

(c) 不符合招聘时公示的招聘条件；

Failing to meet the published requirements for recruitment;

- |  |   |
|--|---|
| (d) 未获得员工应聘职位所要求的相关学历 / 学位的；   | Failing to obtain relevant educational qualifications or degrees necessary for the position;  |
| (e) 在订立本合同过程中有欺骗、隐瞒或其它不诚实行为的，包括但不限于提供虚假个人履历或个人信息、提供虚假或不合格证明材料、伪造学历证书、简历或其他证书材料、隐瞒病史、受伤经历等行为； | Cheating, disguising or otherwise performing dishonest actions in the course of the conclusion of this Contract, including without limitation to providing false personal curriculum vitae or information, providing false or unqualified proof, fabricating educational qualification, resume or other materials, concealing medical history, injury experience and etc. |
| (f) 不具备政府规定的就业手续的 (如未能获得合法的就业证和其他相关证件)；  | Failing to provide relevant employment formalities required by the government (such as failure to obtain a legal working permit and other related permit);  |
| (g) 无法提供公司办理录用需要的文件证明的；  | Failing to provide the Company with the documents necessary for it to carry out the formalities for employment for the Employee;  |
| (h) 未能达到岗位要求；  | Being unqualified for the requirements set forth in the job description;  |
| (i) 与原用人单位存在竞业限制约定的；   | Having non-competition obligations with his/her former employer;  |
| (j) 通缉在案的；   | Being wanted for arrest;  |
| (k) 员工未能按公司满意的标准通过公司的雇用前审查程序；或   | Failing to pass the pre-employment screening and application process of the Company to the satisfaction of the Company; or  |
| (l) 其它情形。  | Any other similar conditions.   |

**第 2 条各方的权利和义务****ARTICLE 2 RIGHTS AND OBLIGATIONS**

- |  |   |
|--|---|
| 2.1 在本合同期间内，员工应对公司不时指派的任务负责。员工应忠实、勤勉并尽其最大努力履行此类任务，并行使与此相关的权力，但需符合公司在任何时候的各项规定。 | During the term of this Contract, the Employee shall be responsible for assignment as designated by the Company from time to time. The Employee shall faithfully and diligently and to the best of their abilities execute such assignment and exercise the relevant power, on the premise of complying with the Company's various regulations at any time. |
|--|---|

- 2.2 公司可依法制定适用于公司全体员工的各项内部规章制度，包括但不限于工作时间、工作时数、出席记录、安全及卫生、奖惩程序、人事安排。员工应严格遵守由公司不时修正或变更的此类规章制度。
- 2.3 公司应为员工提供所有必须的工作设施、以及安全及履行岗位责任所需工具及待遇，并应按照本合同规定的条款支付其他报酬待遇。
- 2.4 在正常工作时间内，员工应将其所有的时间、精力及能力投入到本合同所规定的工作中，应忠实、勤勉地服务于公司，并应全身心地致力于促进公司的利益及福利。员工不得进行或通过不行为的方式侵害公司利益或对公司利益有危害。
- 2.5 员工在其本合同期间内，任何时候均不得直接或间接从事与公司业务类似或具有竞争性质的业务，且未经公司事先书面许可，不得受雇于本合同之外的任何职务，无论是否有报酬。

The Company may stipulate various Internal Rules and Regulations applied to all employees according to relevant laws, such as, but not limited to, working time, working hours, attendance, security and health, rewards and disciplinary procedure, human resource system. The Employee shall strictly comply with these rules and regulations amended or updated from time to time.

The Company shall provide the Employee all necessary facilities, tools and benefits for the safe and secure execution of the position responsibilities and pay other remuneration benefits according to terms and conditions of this Contract.

During the working hours, the Employee shall contribute all of their time, energies and capabilities to the duties agreed in this Contract, to loyally serve the Company with diligence and be thoroughly committed to promote the Company's interest and benefits. The employee shall not act or omit to act in any way which is harmful or prejudicial to the Company's interests.

During the term of this Contract, the Employee shall not, at any time, directly or indirectly engage in any business which is similar to or competitive with the Company's business. And without the Company's prior written consent, the Employee shall not be employed by any other employer, whether paid or not.

### **第3条 报酬及税费**

- 3.1 员工的月基本工资为税前【人民币 元】并按如下方式支付：一年按12个月发放：在每个月月的下个月的2号支付上月的工资。如果每年最后一个月还在为公司工作，则支付等额的第13个月工资。如遇发薪日为非工作日，则当月薪金应提前至2号之前的最近一个工作日发放。
- 3.2 若员工在年中入职，并工作至当年12月31日，则其第13个月工资将按入职当年的实际服务时间比例计算并发放。
- 3.3 员工在此同意，公司有权根据员工的头衔、工作岗位或工作地点的变动、公司的经营状况、员工工作表现等因素对员工的工资工作进行相应调整。

### **ARTICLE 3 REMUNERATION AND TAX**

The pre-tax monthly salary base of the employee is 【 RMB 】 , which will be paid in each of the 12 months of a year on the 2nd day of the month following the monthly period of worked. A 13th equal installment shall be paid if the employee is still employed by the Company during the last month of the year. In the event the payment day falls on a non-working day the payment will be made on the last working day before the 2nd .

If the Employee is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), the 13th month salary will be calculated and paid pro rate based on the actual service period of the year.

The Employee hereby agrees that the Company may adjust the Employee's salary upon any change in the Employee's title, position or work place, based on the needs of the Company's operations or based on changes in the Employee's performance or other similar reasons.

3.4 员工的业绩应由其上司每年至少审查一次，且其变动薪酬可根据公司的盈利能力及个人的、部门的绩效情况由公司决定是否发放及发放的金额，如该员工根据公司的内部规章制度和前述的要求有权享有该等变动薪酬，则公司会在被考核业绩年的次年的1月份发放，前提是发放时该员工在被考核业绩年的12月31日仍在公司就职。若员工在当年入职，并工作至当年12月31日，即工作未满一历年度的，如其根据公司的内部规章制度和前述的要求有权享有变动薪酬的，则其当年的变动薪酬将按入职时间的比例发放。该等变动薪酬的具体情况参照本合同的附件2—变动薪酬计划。(如适用)

3.5 除另有约定并符合相关法律，员工将负责其与包括基本工资、变动薪酬、津贴及其他附加福利在内的报酬相关、依法需承担的所有税费。公司按照法律规定在发薪时代扣代缴。

3.6 员工在与公司劳动关系存续期间，有权根据贵司的内部规章制度和本合同享有本合同附件4所规定的福利政策。员工在此确认公司有权单方变更或取消该福利政策的任何一个福利，但前提是公司应书面通知员工。

3.7 员工在此确认并保证保持员工薪酬保密，其不会向公司其他员工或其他第三方披露薪酬情况，除非法律要求或向员工的专业顾问披露，该等人士受本保密条款约束。如员工违反此约定，将被视作严重违反公司的内部规章制度，公司有权依据本合同的规定解除本合同并解雇员工。

The Employee's performance will be reviewed by the Company at least once a year, and whether the Employee is entitled to any variable pay and related amount of such variable pay will be measured against personal/department/ company performance and achievement. If the Employee is entitled to any variable pay according to the Internal Rules and Regulations of the Company and above requirements, the Company will pay such variable pay in January of the year following the performance year being assessed, provided that the Employee is still hired by the Company on December 31 for the performance year. If the Employee is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), and he/she shall be entitled to any variable pay according to the Internal Rules and Regulations of the Company and above requirements, the variable pay will be made pro rate based on the actual service period. The details for the variable pay are shown in Annex 2 – Company Variable Pay Plan of this Contract. (If applicable)

EXcept otherwise agreed and in line with the relevant laws, the Employee shall assume all the tax and fees related to his/her remuneration including basic salary, variable pay, allowance and other additional benefits according to the laws. The Company will deduct and withhold from the Employee's salary in accordance with the relevant laws.

The Employee is entitled to benefits in line with the Benefit Policy stipulated as Annex 4 of this Contract according to the Internal Rules and Regulations of the Company and this Contract. The Employee hereby confirms that the Company has the right at its sole discretion to change or cancel any benefit stipulated in the Benefit Policy, provided that the Company shall inform the Employee in writing.

The Employee hereby confirms and warrants to maintain the confidentiality of the employee's salary. The Employee shall not disclose his/her salary information to other employees of the Company or any third party unless required to do so by law or to the Employee's professional advisors who will themselves be bound by this confidentiality provision. The Employee's violation of this Article shall be deemed to be a material breach of the Internal Rules and Regulations of the Company. The Company may immediately terminate this Contract and dismiss the Employee upon such event.

**第4条保险、福利、劳动保护、劳动条件和职业危害防护**

- 4.1 员工在此确认，在本合同期限内，公司无需为员工缴纳劳动法律项下的各项社会保险以及住房公积金。
- 4.2 公司可以根据其福利政策不时自主决定向员工提供补充医疗保险、个人意外保险等其他福利待遇。
- 4.3 公司根据其内部规章制度以及现行劳动法律的规定，为员工提供必要的工作保护设施。
- 4.4 公司根据现行劳动法律的规定为员工提供并维持完成其职责所必须的工作条件。

**第5条工作时数、公共假日和带薪年假**

- 5.1 公司将遵守劳动法律关于工作时数的规定。
- 5.2 公司可根据工作性质、公司内部规章制度和劳动法律的规定，合理延长员工的工作时间。员工加班应征得直线经理的书面批准，否则该额外工作时间不得视为加班，员工也无权就此额外工作要求获得劳动法律规定的加班工资或者调休。
- 5.3 如果因公司经营需要，员工应当服从公司的出差安排。
- 5.4 员工享有国家、地方和公司规定的各种假期待遇。员工的假期种类、时间、假期工资及请假手续等相关事项应遵守公司内部规章制度。

**ARTICLE 4 INSURANCE, BENEFITS, WORKING PROTECTION,  
WORKING CONDITIONS AND OCCUPATIONAL DISEASE  
PROTECTION**

The Employee hereby confirms that, during the term of this Contract, the Company will not need to contribute social insurances and housing fund under the Labor Laws.

The Company may from time to time at its sole discretion provide supplementary medical insurance, personal accident insurance and other benefits in accordance with its benefits policy.

The Company will provide necessary working protection facilities in accordance with current Labor Laws and Internal Rules and Regulations.

The Company will provide and maintain essential working conditions to perform his/her duties in accordance with the current Labor Laws.

**ARTICLE 5 WORKING HOURS, PUBLIC HOLIDAY AND PAID  
LEAVE**

The Company will comply with the regulations about working hours in accordance with the Labor Laws.

The Company shall be entitled to reasonably extend the Employee's working hours in accordance with the nature of work, the Company's Internal Rules and Regulations and Labor Laws. The Employee's overtime shall be approved in written by direct manager, otherwise the extra working time will not be deemed as overtime, and the Employee is not entitled for any overtime payment or day-off for the extra working time in accordance with Labor Laws.

Based on the needs of the Company's business operations, the Employee shall comply with the Company's arrangement for travel.

The Employee has the right to enjoy various leave benefits announced by state and local authorities and stipulated by the Company. The category, time, salary, and the application procedures for the leave benefits shall be complied with the Internal Rules and Regulations.

5.5 公司根据相关法律法规规定以及内部规章制度，向员工提供年休假。

The Company will provide annual leave to the Employee in accordance with the relevant laws and regulations and its Internal Rules and Regulations.

## **第 6 条修正、解除及终止**

## **ARTICLE 6 AMENDMENT, TERMINATION AND ENDING**

6.1 本合同可由双方协商一致进行修改，修改应以书面形式作出。

This Contract may be amended upon the mutual agreement of the Parties. The amendment shall be made in written.

6.2 双方协商一致可以解除本合同，并应共同签订解除劳动合同协议书。

This Contract may be terminated upon the mutual agreement of the Parties, and the Parties shall sign a mutual termination agreement.

6.3 本合同期限内，有下列情况之一的，经甲乙双方协商一致的，本合同可中止履行：

During the terms of this Contract and by the mutual agreement of both Parties, this Contract can be suspended in the any of following circumstances:

- (1) 员工应征入伍或者履行国家规定的其他法定义务的；
- (2) 员工暂时无法履行劳动合同的义务，但未来仍有继续履行条件和可能的；或
- (3) 法律、法规规定的或者双方约定的其他情形。

The Employee joins in the armed forces or performs other legal obligation in accordance with the laws;

The Employee temporarily cannot perform the duties under this Contract, but still have the possibilities and conditions to continue to perform in the future; or

Other circumstances stipulated by the laws and regulations or agreed by both Parties.

劳动合同中止期间，双方确认公司保留员工的劳动关系，但不支付员工的工资、福利等。除甲乙双方另有约定外，员工在劳动合同中止期间与其他用人单位建立劳动关系，经公司提出后拒不改正的；或约定的中止期限届满，员工仍不能履行本合同的，公司有权解除本合同，且无需支付任何经济补偿金或赔偿金。劳动合同中止期间不计算为员工在公司的工作年限。中止期间，合同期满的，劳动合同终止。

During the suspension period of this Contract, both Parties confirm that the Company will retain the Employee's employment relationship, but will not pay the Employee remuneration, benefits. Unless otherwise agree, the Company has the right to terminate this Contract, without any compensation or damages, during the suspension period if the Employee establishes employment relationship with other employers and refuses to correct upon the Company's request or the Employee still can't perform his/her duties after the suspension period expires. The suspension period shall not be deemed as the Employee's service year in the Company. This Contract shall automatically end if the term expires during the suspension period.

6.4 如该员工发生以下情况，公司有权在任何时间立即解除本合同，而无需事先通知：

The Company may unilaterally terminate this Contract and dismiss the Employee in any of the following circumstances without any prior notice:

- (1) 在试用期间证明不符合本合同第 1.4 条约定的录用条件；

The Employee is proved unqualified according to the requirements for recruitment agreed in Article 1.4 of this Contract during the Probationary Period;



## (2) 严重违反公司劳动纪律或规章制度，包括但不限于下列情形：

- 无授权旷工达到或超过 5 天的；
- 受雇于公司时有潜在的犯罪或不诚实行为的，包括但不限于盗窃、欺诈、伪造篡改记录，在现金、凭证、记录、利润或者账目的处理上有违规行为；以及虚报开支、加班情况和其他利益的；
- 违反保密义务；
- 在与公司存在劳动关系期限内，未得到公司书面同意而受雇于任何其他商业或经济组织；
- 向与公司有直接或间接业务关系或往来的任何个人或组织索取或接受任何形式的金钱或非金钱的好处或利益；
- 在与公司有业务关系或希望与公司建立业务关系的供应商、客户或其他组织中的个人来往过程中，出现与公司的利益发生冲突的事项，或未向公司披露任何潜在的利益冲突事项；
- 未经公司授权签署或盖章于文件而导致公司承担财务责任的；
- 未经授权将公司财产用作个人目的，或自公司场所转移公司财物、文件或者材料；

The Employee materially violates labor disciplines or the Internal Rules and Regulations of the Company, including without limitation to the following circumstances:

- Unauthorized absenteeism extending to 5 days or more;
- any potentially criminal or dishonest activity during the period of employment by the Company, including theft, fraud, falsification of records and irregular practice concerning cash, vouchers, records, profits or accounts and false claims for expenses, overtime and other benefits;
- breach of the confidentiality obligation;
- during the term of employment relationship with the Company, the employee is employed by any other commercial or economic organization without the Company's written consent;
- claiming for or receiving any nonmonetary or monetary advantages or benefits from any individual or organization which has direct or indirect business relationship with the Company;
- during the personal contact with the suppliers, clients or other organizations which have business relationship or intend to establish business relationship with the Company, having any conflict of interests, or failing to disclose any potential conflict of interests;
- unauthorized signing or stamping of documentation resulting in financial liabilities of the Company;
- unauthorized use of the Company's property for the Employee's private purpose, or unauthorized removal of any the Company's property, document or material from the Company's premises;

- 未经授权从客户处收受礼物、金钱或其他私人利益的；
  - 在招聘时伪造任何能够影响公司决定雇佣员工与否的重要信息，或提供任何虚假或误导性的信息或文件；
  - 因违反法律或法规的规定被处以治安拘留等行政处罚；或
  - 公司的员工奖惩办法或其他内部规章制度所列的任何其他情形。
- unauthorized receiving of gifts, money or other private benefits from the clients;
  - during the recruitment, disguising any important information which is able to affect the Company's decision on whether to employ the Employee, or providing with false or misleading information or documentation;
  - receiving security detention or other administrative penalties due to violation of laws or regulations; or
  - any other circumstances stipulated in the Company's Internal Rules and Regulations.
- (3) 严重玩忽职守或有贪污受贿情形，给公司造成重大损失的经济损失或损害公司的良好信誉等；
- The Employee seriously breaches duty, corrupts or accepts bribes, causing substantial damages to the Company or impairing the goodwill of the Company and the like;
- (4) 同时与其他用人单位建立劳动关系，对完成公司的工作任务造成严重影响，或经公司提出员工拒不改正的；
- The Employee establishes employment relationship with other employers, which seriously affect the performance of assignment of the Company, or in which case the Employee refuses to correct upon the Company's request;
- (5) 员工以欺诈、胁迫的手段或乘人之危，使公司在违背真实意思的情况下订立或变更本合同，致使本合同无效的；
- This Contract is invalid because the Employee uses such means as deception, coercion or taking advantage of the other party's difficulties, to cause the Company to conclude or modify this Contract contrary to the Company's true intent;
- (6) 依法被追究刑事责任的；或
- Where the Employee has his/her criminal liability pursued in accordance with the law; or
- (7) 法律法规及本合同规定的其他情形。
- Other circumstances stipulated by relevant laws and regulations.
- 6.5 有下列情形之一的，公司提前三十日以书面形式通知或者额外支付一个月工资后，可以解除本合同，法律另有规定的从其规定：
- The Company is entitled to terminate this Contract in case of any of the following circumstances, provided, however, that the Company notifies the Employee in writing thirty (30) days in advance, or pays one month salary to the Employee in lieu of such written notice, unless otherwise provided by the laws:

- (1) 员工患病或非因工负伤，在规定的医疗期满后不能从事原工作，也不能从事由公司另行安排的工作的；
- Where the Employee is unable to take up his/her original work and any new work arranged by the Company after the completion of his/her medical treatment for illness or non-work-related injury;
- (2) 员工不能胜任工作，经过培训或者调整工作岗位 (双方确认此调整的工作岗位职责不一定与原岗位相当)后，仍不能胜任工作的(双方确认若员工符合下列情形之一，则认为其不能胜任工作：未达到公司设定的目标；未按该岗位的岗位描述完成工作；经公司的绩效考核被认定不胜任的；或公司内部规章制度规定的其他不胜任情形等)；
- Where the Employee is unqualified for his/her work or duties and remains unqualified after receiving training or an adjustment to another position (the Parties confirm that the responsibilities of the adjusted position are not necessarily same with his/her original position). Both Parties confirm should the Employee fall under any of the following circumstances, he/she shall be deemed as unqualified for his/her work or duties: failure of achieving the target set by the Company; failure of performing his/her duties according to the job description; unqualified according to the performance assessment made by the Company; other circumstances stipulated by the Internal Rules and Regulations.
- (3) 本合同订立时所依据的客观情形发生重大变化 (包括但不限于公司住所迁移、被兼并、公司的资产转移，公司业务的出售，公司重组、增设部门 / 分支机构/子公司、以及/或组织架构、经营条件、或发展战略调整等)致使本合同无法继续履行，经双方协商不能就变更本合同达成协议；或
- A major change in the objective circumstances relied upon at the time of conclusion of this Contract renders it not performable (including, without limitation, the change of the Company's location, acquisition of the Company by others, transfer of the Company's assets, sales of its business, restructuring, adding department/ branch/affiliate, the adjustments on organizational structure, operational conditions, or development strategy and the like), the Parties are unable to reach agreement on amending this Contract; or
- (4) 相关法律法规规定的其他情形
- Any other circumstances stipulated by relevant laws and regulations.
- 6.6 员工如欲辞职解除本合同，需提前三个月书面通知公司（试用期内，提前3日），法律另有规定的情形除外。员工递交辞职书面报告后，应继续在公司履行规定的岗位职责，遵守公司的内部规章制度，不得擅自不来上班或强行离职。如员工有违反行为，公司可按严重违纪予以辞退，同时可追究员工赔偿擅自离职给公司造成的经济损失。
- The Employee may resign and terminate this Contract subject to three months prior written notice to the Company (three days in advance if during Probationary Period), unless the laws otherwise stipulate. The Employee shall continue performing his/her duties after submitting the written resignation and complying with the Company's Internal Rules and Regulations; and is prohibited to be absent or quit without authorization. If the Employee breaches such regulations, the Company may unilaterally terminate the Employee due to his/her materially violating the Internal Rules and Regulations, and the Company is also entitled to claim for the economic losses due to the Employee's resignation.
- 6.7 如果公司或员工不欲在本合同期限到期之后与对方续订劳动合同，都应至少提前三个月书面通知对方。
- In case the Company or the Employee does not intend to extend this Contract upon the expiration, written notice to the counterpart shall be made at latest three (3) months prior to the expiration.

6.8 双方因违反本合同而给对方造成经济损失的，违约方应承担赔偿责任。

Any Party who breaches this Contract shall provide the economic compensation for the losses of the other Party.

6.9 如果员工违反本合同第 6.6 条、本合同其他相关条款的约定或双方之间的其他相关协议的约定，提前解除本合同的，员工应承担公司由此造成的损失，包括但不限于公司为其租赁房屋的房租及押金损失、其子女在华入学费用损失及押金(如有)以及其他与其来华工作直接相关的费用损失。

If the Employee terminates this Contract in advance by violating Article 6.6 hereof, other related articles of this Contract or provisions in other agreements between the Parties, the Employee shall be responsible for the losses suffered by the Company thereof, including without limitation the losses of rent and deposit the Company suffered for renting a house for the Employee, the losses of expenses and deposit (if any) for his/her children's entrance to school in China and other losses directly related to the Employee's working in China.

## 第 7 条工作交接

## ARTICLE 7 HANDOVER

7.1 无论因何原因本劳动关系解除或终止的，员工必须按照公司规定的程序办理工作和资产交接手续，包括但不限于：

Upon termination or end of this Contract for whatever reason, the Employee shall proceed work handover and return properties of the Company according to formalities stipulated by the Company, including, but not limited to:

(1) 归还所有代表公司身份的证明文件，如工作证、介绍信函、员工信息卡等；

All certificates indicating the Company's identifications, such as staff card, letters of introduction, employee's information card, etc., shall be returned to the Company;

(2) 归还所有公司的文件、资料、记录、设备、工具、文具、通讯设备等；

The Company's documents, materials, record, equipment tools, stationery and communication tools shall be returned to the Company;

(3) 向继任者书面交接所有工作，或其他公司认可的交接方式和结果；

The Employee shall handle over all works to his/her successor in written, or in any other manners and results accepted by the Company;

(4) 就所有相关应付款项、应收款项等与公司结清或确定结算办法；

Settling for all relevant credit and/or debt with the Company or determining the settlement way;

(5) 其他根据公司规定必须移交的物品及资料。

Any other materials and affairs as required by the Company

7.2 员工完成上述7.1中所列各项内容的交接，视为办结工作交接。

The handover can be deemed as finished only when the Employee completes the various handover procedures set forth in Article 7.1.

7.3 本合同解除或终止时有下列情形之一的，员工应协助公司妥善处理相关事宜。因这些情形给公司造成损失的，员工应承担相应的赔偿责任。

(1) 员工给公司或相关第三方造成经济损失未处理完毕的；

(2) 员工被有关国家机关依法审查尚未结案的；

(3) 国家或地方政府有特别规定的。

7.4 如员工符合法定情形，公司需支付经济补偿金的，在员工办结所有离职交接手续及双方约定的时间支付。员工如未按照规定或双方约定办理离职交接手续，公司可以暂不发放经济补偿金，给公司造成损失的，公司还可要求员工予以赔偿。员工未按时领取和签收退工单的，或由于员工原因致使公司无法及时将退工单送达员工的，由此产生的一切后果由员工自行承担。

7.5 员工与公司尚未解除或者终止劳动合同，又与其它用人单位建立劳动关系，对完成公司的工作任务造成严重影响或造成损失的，公司有权要求员工赔偿损失。

When terminating or ending this Contract due to any of the following circumstances, the Employee shall assist the Company to properly handle the relevant affairs. The Employee shall assume the damages to the Company due to these circumstances:

The economic losses that the Employee causes to the Company or other third party has not been settled;

The Employee was investigated by governmental authority and the investigation has not finished;

Any other special stipulation by the state or local government.

If the Employee is satisfied with the legal circumstances and the Company needs to pay economic compensation to the Employee, such economic compensation shall be paid after the Employee completing the handover procedure and at the mutually agreed time. If the Employee fails to complete the stipulated or agreed handover procedures, the Company has the right to temporarily not pay the economic compensation. The Company also has the right to claim for any losses arising thereof. The Employee shall assume any consequences arising from his/her failure to accept and sign the dismiss letter or the Company's failure to deliver the dismiss letter to the Employee due to the Employee's reason.

If the Employee has not terminated or ended the employment contract with the Company yet and establishes employment relationship with other employer, causing serious effect to completing the working task or any losses, the Company has the right to claim for the losses to the Employee.

## 第 8 条保密

8.1 该员工同意在本合同存续期间，均对从公司获得的与本合同相关的所有知识产权、技术诀窍、建议、数据、商业秘密及其他技术和业务信息保密，且未经公司事先书面许可，不得将机密信息泄露或允许泄露给本公司以外的任何人员，且应在为适当履行本合同所需的情况下泄露或允许泄露给本公司人员。更详细的规定见【附件1 保密协议】，附件是本合同不可分割的组成部分。

## ARTICLE 8 CONFIDENTIALITY

The Employee agrees that during the terms of this Contract, shall keep confidential of any intellectual property, know-how, suggestion, data, business secret and other technological and operation information. Without the prior written consent of the Company, the Employee shall not reveal or permit to reveal the confidential information to any other people outside the Company and shall only reveal or permit to reveal to any staff in the Company when appropriately performing this Contract. Please refer to Annex 1 Confidentiality Agreement for the details. The attachment is the integral part of this Contract.

**第 9 条职务发明**

- 9.1 对员工发明公司有权申请注册专利或实用新型，且公司应为上前述专利或实用新型的所有人。更详细的规定见【附件 1 保密协议】。

**ARTICLE 9 WORK-RELATED INVENTION**

The Company has the right to apply for patent or utility model of the Employee's invention and the Company shall be the owner of the patent or utility model. Please refer to Annex 1 Confidentiality Agreement for the details.

**第 10 条争议解决及适用法律**

- 10.1 由执行本合同所引起或与本合同相关的任何争议应通过双方友好协商解决。如协商不成，可将争议依法提请仲裁/诉讼。仲裁申请应在劳动争议发生之日起一年内向公司所在地的有管辖权的劳动争议仲裁机构提交。任何一方不服仲裁裁决，有权根据劳动法律的规定在收到仲裁裁决之日起向公司所在地的有管辖权人民法院提起诉讼。

**ARTICLE 10 DISPUTE RESOLUTION AND GOVERNING LAWS**

Any dispute arising out of or relating to this Contract shall be settled through friendly consultations. In case no settlement can be reached, either Party is entitled to demand arbitration/lawsuit according to laws. Application for arbitration shall be filed to the competent Arbitration Committee for Labor Disputes where the Company locates at within one (1) year starting from the date of the occurrence of a labor dispute. Should any of the Parties be not satisfied with the award of arbitration, the Party is entitled to bring a lawsuit to the competent people's court where the Company locates at from the date of receiving the award of arbitration according to the laws.

- 10.2 在调解、仲裁及法院诉讼期间，除有争议部分外，双方应继续执行本合同。

During the mediation, arbitration and lawsuit, both Parties shall continue to execute this Contract except for the dispute part.

- 10.3 本合同的制定、有效性、终止、解释、执行及由其所产生任何争议的解决应适用中国法律。

The execution, effectiveness, ending, interpretation, implementation and any dispute arising thereof shall be governed by the laws of PRC.

**第 11 条其他事项**

- 11.1 本合同中的“内部规章制度”指公司已经制定的或将来不时制定和更新的各项规章制度、工作规范及员工手册，以及与公司商业准则的标准相关的所有其他政策、程序和指导。员工了解且承诺其负有遵守及主动获知公司不时通过各种合理形式（包括但不限于通知、公告、电子邮件及内部网络）所发布的此等内部规章内容的义务。

**ARTICLE 11 MISCELLANEOUS**

The “Internal Rules and Regulations” of this Contract refers to all internal rules and regulations, code of conducts and the employee handbook of the Company which is existing or will be made or amended from time to time. The Employee understands and undertakes that it's the Employee's obligations to comply with and acquire the content of such “internal rules” from time to time, which may be published by the Company through various reasonable ways including without limitation of notice, bulletin, email and internal network.

11.2 员工须在到公司上岗工作之前根据公司的事先通知向公司递交相关人事关系资料。

员工有义务协助公司办理合法的用工手续及相关事宜，如因员工原因使公司无法办理合法的用工手续及相关事宜，由员工承担一切后果。

公司将负责为员工办理所有劳动法律项下以及相关出入境管理法规定下规定的外国人在中国就业所必须的证件，如《外国人就业证》、外国人居留许可等。员工应就该等事项的申请提供必要的信息与协助。因办理该等证件所产生的费用，应由公司承担。

11.3 员工应及时向公司提供相关用工材料及个人信息并保证提供材料的真实性，以便公司及时为其办理用工手续及相关事宜。一旦员工的个人信息发生变更，员工应在该等变更发生起 3 日内书面通知公司。因员工未及时向公司提供用工材料、个人信息或未就个人变更信息及时书面通知公司，造成公司无法及时为员工办理用工手续等一切后果由员工自行承担。

11.4 员工承认并同意，在员工受雇于公司之前和期间，公司可以为人力资源管理、背景调查、专项调查及其他合法的与雇佣/业务相关的目的而在中国境内外收集、保管、使用和转移员工的个人信息。公司可以为员工福利办理及其他与人力资源管理相关的目的，将员工的个人信息转给其中国境内外的其他集团成员或公司的供应商。个人信息的收集仅限于合法和相关目的，而且公司将采取一切可行措施以确保公司所持个人信息的准确性。如果公司所收集的员工的个人信息有任何改变，员工应当及时向公司报告这些改变。公司将采取一切可行措施确保个人信息的安全，避免他人未经授权或意外获得或以其它方式使用员工的个人资料。

The Employee shall provide the relevant human resource related materials to the Company before he/she starts working at the Company.

It is the Employee's obligation to assist the Company to carry out the legalized employment procedure and other relevant procedures. If the Company fails to carry out the legalized employment procedure due to the Employee's reason, the Employee shall assume any consequence arising thereof.

The Company will arrange for all necessary permits pertaining the foreigners' working in China under the Labor Laws and relevant exit and entry administration laws and regulations, such as Working Permit, Residence Permit and the like. The Employee shall provide necessary information and assistances. All costs and expenses arising from this shall be borne by the Company.

The Employee shall provide the relevant employment materials and personal information to the Company and insure the authenticity, so that the Company can carry out the employment procedure and relevant affairs for the Employee in time. Once the Employee's personal information changes, the Employee shall notify such changes to the Company within three days in written. If the Employee fails to provide the employment materials, personal information in time or fails to notify the Company for any change of personal information in written on time, causing the Company not to be able to carry out the employment and termination procedure and the like, the Employee shall assume any liability arising thereof.

The Employee acknowledge and agree, both prior to and during his/her employment with the Company, to the collection, maintenance, use and transfer of his/her personal information by the Company for human resources management, background checks, investigations, and other legitimate employment/business related purposes within and outside of the PRC. The Company may transfer his/her personal information to any other Group Entity or its vendors inside and outside the PRC for employee benefits processing and other human resources management related purposes. Personal information will be collected only for lawful and relevant purposes and all practical steps will be taken to ensure that personal information held by the Company is accurate. If there is any change in his/her personal information collected by the Company, the Employee shall report such changes to the Company in a timely manner. The Company will take all practicable steps to ensure the security of the personal information and to avoid unauthorized or accidental access, or other use.

11.5 公司信息技术资源和通信系统的内容均为公司财产。因此，对于在公司电子信息和通信系统上传送、收发、打印、存储或记录的任何信息、文档、文件、数据、文件、传真、电话通话、社交媒体上发布的对话或信息或任何其他类型的信息或通讯，员工不应期望有任何隐私。公司有权对员工使用公司信息技术资源和通信系统开展的活动进行监控、拦截和审核，而无需进一步通知员工，且员工确认并同意，公司可以对员工使用该等资源和系统的情况进行该等监控。

The contents of the Company's IT resources and communications systems are Company property. The Employee shall not have any expectation of privacy in any message, files, data, document, facsimile, telephone conversation, social media post conversation or message, or any other kind of information or communications transmitted to, received or printed from, or stored or recorded on Company electronic information and communications systems. The Company reserves the right to monitor, intercept and review, without further notice, employee activities using Company IT resources and communications systems and the Employee acknowledge and consent to such monitoring by his/her use of such resources and systems.

11.6 本合同序言部分载明的双方的“居住地址”为双方一切函件往来的唯一有效联系地址，若有变更，应及时通知对方；否则，因地址变更所引起的无法送达的责任，应由责任方承担。如给对方造成损失的，应当承担赔偿责任。同时，寄往员工提供的如本合同开头所示地址的通知、信件或文件将被视为有效寄出并在公司所用寄送方式的通常接收日已送达至员工。

The residence address recorded in the PREFACE shall be the sole effective contact address of the Parties' correspondence. Each Party shall notify the counterparty for any changes. Otherwise, it shall assume any liabilities of the failure to delivery due to the address change and compensation for any losses of the other Party suffers thereof. Meanwhile, notices, letters or documents to the address of the Employee given at the beginning of this Contract shall be deemed to have been effectively sent and to have delivered to the Employee on usual receiving date applicable to the contact method used by the Company.

11.7 若员工附有竞业限制义务的，其与之相关的权利义务参见【附件3竞业限制协议】。

If the Employee has non-competition obligation to the Company, the related rights and obligations shall be referred to Annex 3-Non-competition Agreement.

11.8 本合同及其附件(如有)构成了关于员工雇用事宜的双方之间的完整协议，并取代了任何之前的口头或书面的讨论、协商和协议。本合同未尽事宜，双方另有约定的从约定；双方没有约定的，遵照相关法律法规执行；如相关法律法规没有规定的，双方应遵循平等自愿、友好协商一致原则，另行签订协议作为本合同的补充协议。

This Contract and any annexes attached hereto (if any) constitute the entire agreement between the Parties in relation to the Employee's employment, and shall supersede all prior discussions, negotiation and agreement, whatever in oral or written. Any matters not mentioned herein shall be handled through the Parties' agreements; where no such agreement exists, relevant laws and regulations may be applied to; in case no provisions are stipulated in relevant laws and regulations, the Parties may enter into a separate agreement as the supplementary agreement of this Contract based on the principle of equality and friendly negotiation.



11.9 员工负有诚信义务，承诺其在签订劳动合同时，就其与劳动合同直接相关的基本情况 (包括但不限于已经与其原用人单位解除或者终止劳动合同、其所提供的资质证明来源的真实性及合法性、其所提供的知识产权相关信息来源的真实性及合法性等)向公司作了如实说明，如有虚假，员工将承担相应责任。

The Employee owes a duty of good faith and promises that when signing this Contract, he/she has truly explain all the basic information directly related to this Contract (including without limitation to the termination or ending of the employment contract with the former employer, the authenticity and legitimacy of the resource of the qualifications/certificates he/she provided, the authenticity and legitimacy of the resource of the intellectual property right related information he/she provided). The Employee shall assume the liability if it is false.

11.10 员工在此陈述，在签署本合同之前，员工已全面阅读并充分理解、自愿接受本合同的所有条款和条件；员工并非受强迫或威胁或其他非法限制而签订本合同；员工签署本合同不会使员工违反对其有约束的任何先前的协议；在签署本合同之前，员工已有充分的时间考虑是否签署本合同，包括但不限于获得与员工聘请的律师讨论本合同有关条款和条件、以及相应的法律后果的机会。

The Employee hereby states that: the Employee has thoroughly read and understood and are willing to accept all terms and conditions related to this Contract before the Employee enters into this Contract; the Employee enters into this Contract without suffering force or threat or unlawful restriction; by entering this Contract, the Employee will not breach any prior agreements binding upon the Employee; the Employee has enough time to decide whether to conclude this Contract, including without limitation the chance of discussing with lawyers appointed by the Employee about the terms, conditions and relevant legal results of this Contract before his/her entering into this Contract.

11.11 本合同条款如与国家法律、法规相抵触的，以国家法律、法规为准。本合同规定的任何条款因与法律、法规、规章冲突或依据法律、法规、规章成为无效或不合法时，这些条款不影响本合同其他条款的存续和有效性。

In case the terms and conditions of this Contract is conflict with the laws and regulations, the laws and regulations shall prevail. If any provision of this Contract is invalid or illegal in any respect in accordance with applicable laws, rules and regulations, or conflict with any laws, regulations or rules, the validity and legality of the remaining provisions hereof shall not be affected.

11.12 本合同以中英文签署，一式二(2)份，双方各执一份，具有同等法律效力，且从双方签署之日起生效。两种语言文本具有同等效力，如中英文版本不一致，以中文版本为准。

This Contract in both Chinese and English is made and executed in two (2) originals, with both having equal effect, and shall be effective from the signature of the Parties. Both language versions shall have equal force and effect, in the event of any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

上海蔚来汽车有限公司  
NIO Co., Ltd

【       】

(单位盖章)  
(Corporate Seal)

姓名(Name)：

职务(Title)：

签约地：上海，中国

Execution Venue: Shanghai, the People's Republic of China

**回执**  
**Receipts**

本人在签署本劳动合同时，已经领取了本劳动合同原件一份作为个人留存版本。

I have received an original copy as the personal version when signing this Employment Contract.

员工姓名(Employee Name)：

护照号码(Passport Number)：

日期(Date)：

## Appendix

<input type="checkbox"/>	附件 1 保密协议	Annex 1 Confidentiality Agreement
<input type="checkbox"/>	附件 2 变动薪酬计划	Annex 2 Company Variable Pay Plan
<input type="checkbox"/>	附件 3 竞业限制协议	Annex 3 Non-competition Agreement
<input type="checkbox"/>	附件 4 福利政策	Annex 4 Benefit Policy

**说明：**符号“☐”指相应附件适用于本合同；符号“☐”指相应附件不适用于本合同。

**Note:** Symbol “☐” represent the corresponding annex is effective in this contract; symbol “☐” represent the corresponding annex is ineffective in this contract.

上海蔚来汽车有限公司

NIO Co., Ltd.

与

And

【        】

之

劳动合同

Employment Contract

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**序言**

本《劳动合同》（以下简称本“合同”）于【        年        月        日】由以下双方在中华人民共和国境内签订：

➤ **上海蔚来汽车有限公司，其注册地址在上海市嘉定区安亭镇安驰路569号115室（以下简称“公司”）及**

➤ **【        】，国籍【中国】，身份证为【        】，居住地址为【        】（以下简称为“员工”）**

（公司及员工以下统称为“双方”，单称为“一方”）。

双方根据《中华人民共和国劳动法》、《中华人民共和国劳动合同法》、《上海市劳动合同条例》以及其它有关的法律法规、地方性法规和规章的规定（“劳动法律”），以及内部规章制度（定义见下文）的约束，在平等自愿、协商一致的基础上，签订本合同。双方在此承诺共同遵守本合同，且确认本合同为双方解决争议时的依据。

员工在此向公司陈述并保证：(i)其已告知公司可能影响其职责履行的任何身体条件或残疾不便情况；(ii)已告知公司其获得的教育背景和资质和学位及拥有履行公司要求的岗位责任的必须经验；(iii)其已解除与任何前任雇主的劳动关系并且不与任何第三方具有现存的劳动关系(如适用)；否则员工将承担由此引起的任何劳动争议结果的责任；(iv)在签订本合同之前已经仔细阅读并理解内部规章制度；(v)公司雇佣员工不会导致员工违反员工与任何前任雇主或为其他单位签订的任何协议，并且员工不得从事任何违反此类协议的行为；(vi)员工不得使用或向公司泄露任何属于其他人的保密信息；(vii)员工不是限制或影响员工向公司履行义务的任何协议的一方，且员工也不对任何人负有此类限制或影响员工向公司履行义务的责任。

**PREFACE**

This employment contract (this “Contract”) is entered into by and between the following parties on [        , 20    ]:

➤ **NIO Co., Ltd**, with its registration address at Room 115, No. 569 Anchi Road, Anting, Shanghai (hereafter referred as the “Company”); and

➤ [        ], From [China], with NID of [        ] and residence address at [        ] (hereafter referred as the “Employee”).

As needed, each party is hereinafter individually referred to as a “Party” and collectively as “Parties”.

Pursuant to the Labor Law of the PRC, the Employment Contract Law of the PRC, the Labor Contract Regulation of Shanghai, and other relevant laws, regulations, local regulations and government rules (the “Labor Laws”), and subject to the Internal Rules and Regulations (as defined below), the Parties have entered into this Contract on the basis of equality and consultation. The Parties hereby agree to observe this Contract and acknowledge that the disputes between the Parties shall be settled according to this Contract.

The Employee hereby represents and warrants to the Company that: he/she (i) has advised the Company of any medical condition or disability that may impact the performance of his/her duties; (ii) has the education background and has been awarded the qualifications and degree/degrees advised to the Company and possesses the necessary experience required by the Company to fulfill the position responsibilities; (iii) has terminated any other employment relationship with any former employer and has no existing employment relationship with any third parties (if applicable); otherwise the Employee shall be liable for any labor dispute result arising therefrom; (iv) [has thoroughly read and understood all the Internal Rules and Regulations before entering into this Contract]; (v) The Employee’s employment by the Company will not cause the Employee to violate any agreement the Employee may have with any employer or other business, and the Employee shall not engage in any activities in violation of any such agreement; (vi) the Employee shall not use or disclose to the Company any confidential information belonging to others; (vii) the Employee is not a party to any agreement, and the Employee owes no duty to anyone, that limits or affects the Employee’s ability to perform the Employee’s duties for the Company.

**第1条 岗位和期限**

- 1.1 根据公司的运作及生产需要，员工的岗位为【职位】。该岗位的岗位描述(若有)请见本合同附件1。该员工的主要工作地点为【上海】。公司可以根据其业务需要、员工的工作能力或员工的工作表现，合法合理地调整其职务、职位或工作职责。公司保留在给与合理的通知后变更工作地点的权利。

为履行员工的工作职责及满足公司业务需要，公司可以要求员工不时地在中国境内或境外出差。为此目的，员工必须持有现行有效的旅行证件。

- 1.2 本合同期限为：

固定期限：期限为【叁】年，即始于【        年        月        日】，止于【        年        月        日】。上述合同期限届满前，双方可依法协商续订本合同。如双方未能在合同期限届满日或之前就续订事宜达成一致意见，则本合同到期将依法自动终止。

**Article 1 Position and Term**

In terms of the Company's operation demands, the Employee's position is [        ]. The job description (if applicable) is attached as Annex I of this Contract. The job location of The Employee shall be mainly in [Shanghai]. The Company may change the Employee's title, position or job duties according to the Company's business needs, the Employee's capacity or work performance to the extent lawful and reasonable. The Company reserves the right to change the location of employment following reasonable notice.

The Employee may be required to travel abroad or within the PRC from time to time to perform the Employee's job duties and meet the business needs of the Company. For this purpose, the Employee is required to hold effective and unexpired travel documentation.

The term of this Contract shall be:

Fixed term: with a term of [3] years, starting from [        , 20    ] and ending on [        , 20    ]. The Parties may extend this Contract legally before the expiration of this Contract. This Contract shall expire automatically if the Parties are unable to reach agreement on extension of this Contract on or before the expiration of this Contract according to the Labor Laws

- 1.3 双方谨同意上述第 1.2 条规定的合同期间前【6 个月】为试用期（以下简称“试用期”）。此试用期应包括在上述第 1.2 条所指的期间内。
- 1.4 在试用期内，公司有权评估员工的技能及工作表现，以决定员工是否符合录用条件。如员工在试用期内被证实不符合录用条件(由公司合理裁量决定)，包括但不限于有下列情形之一的，则公司有权根据本合同的规定立即与其解除本合同并解雇员工
- (a) 背景调查结果为负面(由公司合理裁量决定)；
  - (b) 未能提供其应聘或背景调查程序中需要的确切及完整的信息；
  - (c) 不能令公司满意地履行其工作职责；
  - (d) 未能完全遵守所有公司规章制度和政策，如未遵守，则无论违规是否严重，均将被视为未达到录用条件；以及，
  - (e) 健康状况不符合职位要求的，包括但不限于，在试用期内累积休病假满 30 日。

Both Parties hereby agree the first [6 month(s)] of the contract terms agreed in Article 1.2 is the probationary period (hereafter referred as “Probationary Period”). The Probationary Period shall be contained in the term of this Contract.

During the Probationary Period, the Company may conduct an appraisal of the Employee’s professional skills and performances to decide the qualifications of the Employee. The Company may immediately terminate this Contract and dismiss the Employee in accordance with the clauses hereof, should the Employee be proved to not meet with the recruitment condition in the Probationary Period (as determined by the Company in the reasonable exercise of its discretion), including without limitation, by the Employee:

Not having a positive background investigation (as determined by the Company in the reasonable exercise of its discretion);

Failing to provide accurate and complete information as part of his/her application or background investigation process;

Not performing his/her job duties to the satisfaction of the Company;

Not fully complying with all Company rules and policies; any non-compliance will be deemed as a failure to meet the recruitment conditions irrespective of the severity of the non-compliance; and

Health condition not meeting the job requirements, including, without limitation, the Employee has taken sick leave accumulatively for 30 days or more during the Probationary Period.

## 第 2 条各方的权利和义务

2.1 在本合同期间内，员工应对公司不时指派的任务负责。详细工作说明以【附件1岗位描述】的形式附于本合同之后。员工应忠实、勤勉并尽其最大努力履行此类任务，并行使与此相关的权力，但需符合公司在任何时候的各项规定。

## ARTICLE 2 RIGHTS AND OBLIGATIONS

During the term of this Contract, the Employee shall be responsible for assignment as designated by the Company from time to time. The detail working instructions are attached to this Contract as Annex 1 – Job Description. The Employee shall faithfully and diligently and to the best of their abilities execute such assignment and exercise the relevant power, on the premise of complying with the Company’s various regulations at any time.



- 2.2 公司可依法制定适用于公司全体员工的各项内部规章制度，包括但不限于工作时间、工作时数、出席记录、安全及卫生、奖惩程序、人事安排。员工应严格遵守由公司不时修正或变更的此类规章制度。
- 2.3 公司应为员工提供所有必须的工作设施、以及安全及履行岗位责任所需工具及待遇，并应按照本合同规定的条款支付其他报酬待遇。
- 2.4 在正常工作时间内，员工应将其所有的时间、精力及能力投入到本合同所规定的工作中，应忠实、勤勉地服务于公司，并应全身心致力于促进公司的利益及福利。员工不得进行或通过不行为的方式侵害公司利益或对公司利益有危害。
- 2.5 员工在其本合同期间内，任何时候均不得直接或间接从事与公司业务类似或具有竞争性质的业务，且未经公司事先书面许可，不得受雇于本合同之外的任何职务，无论是否有报酬。

The Company may stipulate various Internal Rules and Regulations applied to all employees according to relevant laws, such as, but not limited to, working time, working hours, attendance, security and health, rewards and disciplinary procedure, human resource system. The Employee shall strictly comply with these rules and regulations amended or updated from time to time.

The Company shall provide the Employee all necessary facilities, tools and benefits for the safe and secure execution of the position responsibilities and pay other remuneration benefits according to terms and conditions of this Contract.

During the working hours, the Employee shall contribute all of their time, energies and capabilities to the duties agreed in this Contract, to loyally serve the Company with diligence and be thoroughly committed to promote the Company's interest and benefits. The employee shall not act or omit to act in any way which is harmful or prejudicial to the Company's interests.

During the term of this Contract, the Employee shall not, at any time, directly or indirectly engage in any business which is similar to or competitive with the Company's business. And without the Company's prior written consent, the Employee shall not be employed by any other employer, whether paid or not.

### **第3条报酬及税费**

- 3.1 员工的月基本工资为税前【人民币 元】并按如下方式支付：一年按12个月发放：在每个月的下个月的2号支付上月的工资。如果每年最后一个月还在为公司工作，则支付等额的第13个月工资。如遇发薪日为非工作日，则当月薪金应提前至2号之前的最近一个工作日发放。

### **ARTICLE 3 REMUNERATION AND TAX**

The pre-tax monthly salary base of the employee is 【 RMB】 , which will be paid in each of the 12 months of a year on the 2<sup>nd</sup> day of the month following the monthly period of worked. A 13<sup>th</sup> equal installment shall be paid if the employee is still employed by the Company during the last month of the year. In the event the payment day falls on a non-working day the payment will be made on the last working day before the 2<sup>nd</sup>.

若员工在年中入职，并工作至当年 12 月 31 日，则其第 13 个月工资将按入职当年的实际服务时间比例计算并发放。

If the Employee is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), the 13<sup>th</sup> month salary will be calculated and paid pro rate based on the actual service period of the year.

- 3.2 如因员工的职衔、工作岗位或工作地点的变动、公司的经营状况、员工工作表现等因素导致公司对员工的工资作进行相应调整，公司应该与员工提前沟通或达成一致。

If the Company adjusts the Employee's salary upon any change in the Employee's title, position or work place, based on the needs of the Company's operations or based on changes in the Employee's performance or other similar reasons, the Company should communicate with the Employee in advance or make agreement.

- 3.3 员工的业绩应由其上司每年至少评估一次，且其奖金可根据公司的盈利能力及个人的、部门的绩效情况由公司决定是否发放及发放的金额，如该员工根据公司的内部规章制度和前述的要求有权享有该等奖金，则公司会在被考核业绩年的次年的 1 月份发放，前提是该员工在被考核业绩年的 12 月 31 日仍在公司就职。若员工在年中入职，并工作至当年 12 月 31 日，即工作未满一历年度的，如其根据公司的内部规章制度和前述的要求有权享有奖金的，则其当年的奖金将按入职时间的比例发放。该等奖金的具体情况参照本合同的附件 3 -公司浮动奖金计划。(如适用)

The Employee's performance will be reviewed by the Company at least once a year, and whether the Employee is entitled to any bonus and related amount of such bonus will be measured against personal /department / company performance and achievement. If the Employee is entitled to any bonus according to the Internal Rules and Regulations of the Company and above requirements, the Company will pay such bonus in January of the year following the performance year being assessed, provided that the Employee is still hired by the Company on December 31 for the performance year. If the Employee is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), and he/she shall be entitled to any bonus according to the Internal Rules and Regulations of the Company and above requirements, the bonus will be made pro rate based on the actual service period. The details for the bonus are shown in Annex 3 – Company Variable Bonus Plan of this Contract.(If applicable)

- 3.4 除另有约定并符合相关法律，员工将负责其包括基本工资、奖金、津贴及其他附加福利在内的报酬有关的、依法需承担的所有税费。公司按照法律规定在发薪时代扣代缴。

Except otherwise agreed and in line with the relevant laws, the Employee shall assume all the tax and fees related to his/her remuneration including basic salary, bonus, allowance and other additional benefits according to the laws. The Company will deduct and withhold from the Employee's salary in accordance with the relevant laws.

- 3.5 员工在与公司劳动关系存续期间，有权根据公司的 福利政策和本合同享受福利。员工在此确认公司有权单方变更或取消该福利政策的任何一项非法定强制的福利，但前提是公司应书面通知员工。

The Employee is entitled for the benefits under the Benefit Policy of the Company and this Contract. The Employee hereby confirms that the Company has the right to unilaterally change or cancel any non-mandatory benefit stipulated in the Benefit Policy, provided that the Company shall inform the Employee in writing.

- 3.6 员工在此确认并保证对员工的薪酬保密，其不会向公司其他员工或其他第三方披露薪酬情况，除非法律要求或向员工的专业顾问披露，该等人士受本保密条款约束。如员工违反此约定，将被视作严重违反公司的内部规章制度，公司有权依据本合同的规定解除本合同 并解雇员工。

The Employee hereby confirms and warrants to maintain the confidentiality of the employee's salary. The Employee shall not disclose his/her salary information to other employees of the Company or any third party unless required to do so by law or to the Employee's professional advisors who will themselves be bound by this confidentiality provision. The Employee's violation of this Article shall be deemed to be a material breach of the Internal Rules and Regulations of the Company. The Company may immediately terminate this Contract and dismiss the Employee upon such event.

#### **第 4 条 保险、福利、劳动保护、劳动条件和职业危害防护**

#### **ARTICLE 4 INCURANCE, BENEFITS,WORKING PREOTECTION, WORKING CONDITIONS AND OCCUPATIONAL DISEASE PROTECTION**

- 4.1 公司按照国家 and 地方有关规定为员工缴纳各项社会保险及住房公积金，除非因员工原因未能缴纳。

The Company shall, in accordance with the state and local laws and regulations, provide social insurances and housing fund for the Employee with the exception of failing to pay due to the Employee's reason.

- 4.2 公司可以根据福利政策决定向员工提供补充医疗保险、个人意外保险等其他福利待遇。

The Company may provide supplementary medical insurance, personal accident insurance and other benefits in accordance with its benefits policy.

- 4.3 公司根据其内部规章制度以及现行劳动法律的规定，为员工提供必要的工作保护设施。

The Company will provide necessary working protection facilities in accordance with current Labor Laws and Internal Rules and Regulations.

- 4.4 公司根据现行劳动法律的规定为员工提供并维持完成其职责所必须的工作条件。

The Company will provide and maintain essential working conditions to perform his/her duties in accordance with the current Labor Laws.

#### **第 5 条工作时数、公共假日和带薪假期**

#### **ARTICLE 5 WORKING HOURS, PUBLIC HOLIDAY AND PAID LEAVE**

- 5.1 公司将遵守劳动法律关于工作时数的规定。

The Company will comply with the regulations about working hours in accordance with the Labor Laws.

- 5.2 公司可根据工作性质、公司内部规章制度和劳动法律的规定，合理延长员工的工作时间。员工加班应征得直接经理的书面批准，否则该额外工作时间不得视为加班，员工也无权就此额外工作要求获得劳动法律规定的加班工资或者调休。

The Company shall be entitled to reasonably extend the Employee's working hours in accordance with the nature of work, the Company's Internal Rules and Regulations and Labor Laws. The Employee's overtime shall be approved in writing by direct manager, otherwise the extra working time will not be deemed as overtime, and the Employee is not entitled for any overtime payment or day-off for the extra working time in accordance with Labor Laws.

- 5.3 员工享有国家、地方和公司规定的各种假期待遇。员工的假期种类、时间、假期工资及请假手续等相关事项应遵守公司内部规章制度。

The Employee has the right to enjoy various leave benefits provided by state and local authorities and stipulated by the Company. The category, time, salary, and the application procedures for the leave benefits shall be complied with the Internal Rules and Regulations.

- 5.4 公司根据相关法律法规规定以及内部规章制度，向员工提供年休假。

The Company will provide annual leave to the Employee in accordance with the relevant laws and regulations and its Internal Rules and Regulations.

#### **第 6 条变更、解除及终止**

#### **ARTICLE 6 AMENDMENT, TERMINATION AND ENDING**

- 6.1 本合同可由双方协商一致进行变更，变更应以书面形式作出。

This Contract may be amended upon the mutual agreement of the Parties. The amendment shall be made in writing.

- 6.2 双方协商一致可以解除本合同，并应共同签订解除劳动合同协议书。

This Contract may be terminated upon the mutual agreement of the Parties, and the Parties shall sign a mutual termination agreement.

- 6.3 本合同期限内，有下列情况之一的，经甲乙双方协商一致的，本合同可中止履行：

During the term of this Contract and by the mutual agreement of both Parties, this Contract can be suspended in the any of following circumstances:

(1) 员工应征入伍或者履行国家规定的其他法定义务的；

The Employee joins in the armed forces or performs other legal obligation in accordance with the laws;

(2) 员工暂时无法履行劳动合同的义务，但未来仍有继续履行条件和可能的；或

The Employee temporarily cannot perform the duties under this Contract, but still have the possibilities and conditions to continue to perform in the future; or

法律、法规规定的或者双方约定的其他情形。

Other circumstances stipulated by the laws and regulations or agreed by both Parties.

劳动合同中止期间，双方确认公司保留员工的劳动关系，但不支付员工的工资、福利、社保、公积金等。除甲乙双方另有约定外，员工在劳动合同中止期间与其他用人单位建立劳动关系，经公司提出后拒不改正的；或约定的中止期限届满，员工仍不能履行本合同的，公司有权解除本合同。劳动合同中止期间不计算为员工在公司的工作年限。中止期间，合同期满的，劳动合同自动终止。

During the suspension period of this Contract, both Parties confirm that the Company will retain the Employee's employment relationship, but will not pay the Employee remuneration, benefits, social insurance, housing fund. Unless otherwise agreed, the Company has the right to terminate this Contract during the suspension period if the Employee establishes employment relationship with other employers and refuses to correct upon the Company's request or the Employee is still unable to perform his/her duties after the suspension period expires. The suspension period shall not be deemed as the Employee's service year in the Company. This Contract shall automatically end if the term of this Contract expires during the suspension period.

6.4 如该员工发生以下情况，公司有权在任何时间立即解除本合同，而无需事先通知：

The Company may unilaterally terminate this Contract and dismiss the Employee in any of the following circumstances without any prior notice:

(1) 严重违反公司劳动纪律或规章制度，包括但不限于下列情形：

The Employee materially violates labor disciplines or the Internal Rules and Regulations of the Company, including without limitation to the following circumstances:

- 未经许可旷工达到或超过 5 天的；
- 受雇于公司时有潜在的犯罪或不诚实行为的，包括但不限于盗窃、欺诈、伪造篡改记录，在现金、凭证、记录、利润或者账目的处理上有违规行为；以及虚报开支、加班情况和其他利益的；

- Unauthorised absenteeism extended to 5 days or more;
- any potentially criminal or dishonest activity during the period of employment by the Company, including but not limited to, theft, fraud, falsification of records and irregular practice concerning cash, vouchers, records, profits or accounts and false claims for expenses, overtime and other benefits;

- 违反保密义务；
- 在与公司存在劳动关系期限内，未得到公司书面同意而受雇于任何其他商业或经济组织；
- 向与公司有直接或间接业务关系或往来的任何个人或组织索取或接受任何形式的金钱或非金钱的好处或利益；
- 在与公司有业务关系或希望与公司建立业务关系的供应商、客户或其他组织中的个人来往过程中，出现与公司的利益发生冲突的事项，或未向公司披露任何潜在的利益冲突事项；
- 未经公司授权签署或盖章于文件而导致公司承担经济责任的；
- 未经授权将公司财产用作个人目的，或未经授权自公司场所带走公司财物、文件或者材料；
- 未经授权从客户处收受礼物、金钱或其他私人利益的；
- breach of the confidentiality obligation;
- during the term of employment relationship with the Company, employed by any other commercial or economic organization without the Company's written consent;
- claiming for or receiving any nonmonetary or monetary advantages or benefits from any individual or organization which has direct or indirect business relationship with the Company;
- during the personal contact with the suppliers, clients or other organizations which have business relationship or intend to establish business relationship with the Company, having any conflict of interests, or failing to disclose any potential conflict of interests;
- unauthorized signing or stamping of documentation resulting in financial liabilities of the Company;
- unauthorized use of the Company's property for the Employee's private purpose, or unauthorized removal of any the Company's property, document or material from the Company's premises;
- unauthorized receipt of gifts, money or other private benefits from the clients;

- 在招聘时，虚假陈述或隐瞒任何能够影响公司决定是否雇佣员工的重要信息，或提供任何虚假或误导性的信息或文件；
- 因违反法律或法规的规定被处以治安拘留或其他行政处罚；或
- 公司的员工奖惩办法或其他内部规章制度所列的任何其他情形。

(2) 严重玩忽职守或有贪污受贿情形，给公司造成重大经济损失或损害公司的良好信誉等；

(3) 同时与其他用人单位建立劳动关系，对完成公司的工作任务造成严重影响，或经公司提出员工拒不改正的；

(4) 员工以欺诈、胁迫的手段或乘人之危，使公司在违背真实意思的情况下订立或变更本合同，致使本合同无效的；

(5) 依法被追究刑事责任的；或

(6) 法律法规及本合同规定的其他情形。

6.5 有下列情形之一的，公司提前三十日以书面形式通知或者额外支付一个月工资后，可以解除劳动合同，法律另有规定的从其规定：

- during the recruitment, misrepresents or conceals any important information which is able to affect the Company's decision on whether to employ the Employee, or providing with false or misleading information or documentation;
- receiving security detention or other administrative penalties due to violation of laws or regulations; or
- any other circumstances stipulated in the Company's Internal Rules and Regulations.

The Employee seriously breaches duty, corrupts or accepts bribes, causing substantial damages to the Company or impairing the goodwill of the Company and the like;

The Employee establishes employment relationship with other employers, which seriously affect the performance of assignment of the Company, or in which case the Employee refuses to correct upon the Company's request;

This Contract is invalid because the Employee uses such means as deception, coercion or taking advantage of the other party's difficulties, to cause the Company to conclude or modify this Contract contrary to the Company's true intent;

Where the Employee has his/her criminal liability pursued in accordance with the law; or

Other circumstances stipulated by relevant laws and regulations.

The Company is entitled to terminate this Contract in case of any of the following circumstances, provided, however, that the Company notifies the Employee in writing thirty (30) days in advance, or pays one month salary to the Employee in lieu of such written notice, unless otherwise provided by the laws:

(1) 员工患病或非因工负伤，在规定的医疗期满后不能从事原工作，也不能从事由公司另行安排的工作的；

Where the Employee is unable to take up his/her original work and any new work arranged by the Company after the completion of his/her medical treatment for illness or non-work-related injury;

(2) 员工不能胜任工作，经过培训或者调整到其他工作岗位，仍不能胜任工作；

The Employee is incompetent at his/her work, and remain so even after receiving training or being transferred to a different position;

(3) 本合同订立时所依据的客观情形发生重大变化 (包括但不限于公司住所迁移、被兼并、公司的资产转移，公司业务的出售，公司重组、增设部门/分支机构/子公司、以及/或组织架构、经营条件、或发展战略调整等)致使本合同无法继续履行，经双方协商不能就变更本合同达成协议的；或

A major change in the objective circumstances relied upon at the time of conclusion of this Contract renders it not performable (including, without limitation, the change of the Company's location, acquisition of the Company by others, transfer of the Company's assets, sales of its business, restructuration, adding department/branch/affiliate, the adjustments on organizational structure, operational conditions, or development strategy and the like), and the Parties are unable to reach agreement on amending this Contract; or

(4) 相关法律法规规定的其他情形

Any other circumstances stipulated by relevant laws and regulations.

6.6 员工如欲辞职解除本合同，需提前 30 日书面通知公司（试用期内，提前 3 日），法律另有规定的情形除外。员工递交辞职书面报告后，应继续在公司履行规定的岗位职责，遵守公司的内部规章制度，不得擅自不来上班或强行离职。如员工有违反行为，公司可按严重违纪予以辞退，同时可追究员工赔偿擅自离职给公司造成的经济损失。

The Employee may resign and terminate this Contract subject to thirty days prior written notice to the Company (three days in advance if during Probationary Period), unless the laws otherwise stipulate. The Employee shall continue performing his/her duties after submitting the written resignation and complying with the Company's Internal Rules and Regulations; and is prohibited to be absent or quit without authorization. If the Employee breaches such regulations, the Company may unilaterally terminate the Employee due to his/her materially violating the Internal Rules and Regulations, and the Company is also entitled to claim for the economic losses due to the Employee's resignation.

6.7 双方因违反本合同而给对方造成经济损失的，违约方应承担赔偿责任。

Any Party who breaches this Contract shall provide the economic compensation for the losses of the other Party.



**第7条工作交接****ARTICLE 7 HANDOVER**

7.1 无论因何原因本劳动关系解除或终止的，员工必须按照公司规定的程序办理工作和资产交接手续，包括但不限于：

Upon termination or end of this Contract for whatever reason, the Employee shall proceed work handover and return properties of the Company according to formalities stipulated by the Company, including, but not limited to:

(1) 归还所有代表公司身份的证明文件，如工作证、介绍信函、员工信息卡等；

All certificates indicating the Company's identifications, such as staff card, letters of introduction, employee's information card, etc., shall be returned to the Company;

(2) 归还所有公司的文件、资料、记录、设备、工具、文具、通讯设备等；

The Company's documents, materials, record, equipment tools, stationery and communication tools shall be returned to the Company;

(3) 向继任者书面交接所有工作，或其他公司认可的交接方式和结果；

The Employee shall handle over all works to his/her successor in writing, or in any other manners and results accepted by the Company;

(4) 就所有相关应付款项、应收款项等与公司结清或确定结算办法；

Settling for all relevant credit and/or debt with the Company or determining the settlement way;

(5) 其他根据公司规定必须移交的物品及资料。

Any other materials and affairs as required by the Company

7.2 员工完成上述7.1中所列各项内容的交接，视为办结工作交接。

The handover can be deemed as finished only when the Employee completes the various handover procedures set forth in Article 7.1.

7.3 本合同解除或终止时有下列情形之一的，员工应协助公司妥善处理相关事宜。因这些情形给公司造成损失的，员工应承担相应的赔偿责任。

When terminating or ending this Contract due to any of the following circumstances, the Employee shall assist the Company to properly handle the relevant affairs. The Employee shall assume the damages of the Company due to these circumstances:

(1) 员工给公司或相关第三方造成经济损失未处理完毕的；

The economic losses that the Employee causes to the Company or other third party has not been settled;

(2) 员工被有关国家机关依法审查尚未结案的；

The Employee was investigated by governmental authority and the investigation has not finished;

(3) 国家或地方政府有特别规定的。

Any other special stipulation by the state or local government.

7.4 如员工符合法定情形，公司需支付经济补偿金的，则应在员工办结所有离职交接手续后、在双方约定的时间支付。员工如未按照规定或双方约定办理离职交接手续，公司可以暂不发放经济补偿金，给公司造成损失的，公司还可要求员工予以赔偿。员工未按时领取和签收退工单的，或由于员工原因致使公司无法及时将退工单送达员工的，由此产生的一切后果由员工自行承担。

If the Employee is satisfied with the legal circumstances and the Company needs to pay economic compensation to the Employee, such economic compensation shall be paid after the Employee completing the handover procedure and at the mutually agreed time. If the Employee fails to complete the stipulated or agreed handover procedures, the Company has the right to temporarily not pay the economic compensation. The Company also has the right to claim for any losses arising thereof. The Employee shall assume any consequences arising from his/her failure to accept and sign the dismissal letter or the Company's failure to deliver the dismissal letter to the Employee due to the Employee's reason.

7.5 员工与公司尚未解除或者终止劳动合同，又与其它用人单位建立劳动关系，对完成公司的工作任务造成严重影响或造成损失的，公司有权要求员工赔偿损失。

If the Employee has not terminated or ended the employment contract with the Company yet and establishes employment relationship with other employer, causing serious effect to completing the working task or any losses, the Company has the right to claim for the losses to the Employee.

## 第 8 条保密

## ARTICLE 8 CONFIDENTIALITY

8.1 该员工同意在本合同存续期间，均对从公司获得的与本合同相关的所有知识产权、技术诀窍、建议、数据、商业秘密及其他技术和业务信息保密，且未经公司事先书面许可，不得将机密信息泄露或允许泄露给本公司以外的任何人员，且应在为适当履行本合同所需的情况下泄露或允许泄露给本公司人员。更详细的规定见【附件2 保密协议】，附件是本合同不可分割的组成部分。

The Employee agrees that during the term of this Contract, shall keep confidential of any intellectual property, know-how, suggestion, data, business secret and other technological and operation information. Without the prior written consent of the Company, the Employee shall not reveal or permit to reveal the confidential information to any other people outside the Company and shall only reveal or permit to reveal to any staff in the Company when appropriately performing this Contract. Please refer to Annex 2 Confidentiality Agreement for the details. The attachment is the integral part of this Contract.

**第 9 条职务发明**

- 9.1 公司有权对员工的职务发明申请注册发明或实用新型或外观设计专利，且公司应为上前述发明或实用新型或外观设计专利的所有人。更详细的规定见【附件 2 保密协议】。

**第 10 条争议解决及适用法律**

- 10.1 由执行本合同所引起或与本合同相关的任何争议应通过双方友好协商解决。如协商不成，可将争议依法提请仲裁/诉讼。仲裁申请应在劳动争议发生之日起一年内向公司所在地有管辖权的劳动争议仲裁机构提交。任何一方不服仲裁裁决，有权根据劳动法律的规定在收到仲裁裁决之日起向公司所在地有管辖权人民法院提起诉讼。
- 10.2 在调解、仲裁及法院诉讼期间，除有争议部分外，双方应继续执行本合同。
- 10.3 本合同的制定、有效性、终止、解释、执行及由其所产生任何争议的解决应适用中国法律。

**第 11 条其他事项**

- 11.1 本合同中的“内部规章制度”指公司已经制定的或将来不时制定和更新的各项规章制度、工作规范及员工手册，以及与公司商业准则的标准相关的所有其他政策、程序和指导。员工了解且承诺其负有遵守及主动获知公司不时通过各种合理形式（包括但不限于通知、公告、电子邮件及内部网络）所发布的此等内部规章内容的义务。

**ARTICLE 9 WORK-RELATED INVENTION**

The Company has the right to apply for patent of invention or utility model or industrial design of the Employee's service invention and the Company shall be the owner of the patent of invention or utility model or industrial design. Please refer to Annex 2 Confidentiality Agreement for the details.

**ARTICLE 10 DISPUTE SOLUTION AND GOVERNING LAWS**

Any dispute arising out of or relating to this Contract shall be settled through friendly negotiation. In case no settlement can be reached, either Party is entitled to demand arbitration/lawsuit according to laws. Application for arbitration shall be filed to the competent Arbitration Committee for Labor Disputes where the Company locates within one (1) year starting from the date of the occurrence of a labor dispute. Should any of the Parties be not satisfied with the award of arbitration, the Party is entitled to bring a lawsuit to the competent people's court where the Company locates from the date of receiving the award of arbitration according to the laws.

During the mediation, arbitration and lawsuit, both Parties shall continue to execute this Contract except for the dispute part.

The execution, effectiveness, ending, interpretation, implementation and any dispute arising thereof shall be governed by the laws of PRC.

**ARTICLE 11 MISCELLANEOUS**

The "Internal Rules and Regulations" of this Contract refers to all internal rules and regulations, code of conducts and the employee handbook of the Company which is existing or will be made or amended from time to time. The Employee understands and undertakes that it's the Employee's obligations to comply with and acquire the content of such "internal rules" from time to time, which may be published by the Company through various reasonable ways including without limitation of notice, bulletin, email and internal network.

11.2 员工须在到公司上岗工作之前根据公司的事先通知向公司递交相关人事关系资料。

员工有义务协助公司办理合法的用工手续及相关事宜，如因员工原因使公司无法办理合法的用工手续及相关事宜，由员工承担一切后果。

如员工为非沪籍员工在本合同履行期间自行取得上海户籍的，应及时向公司递交入沪批复、户口本复印件及存档凭证，以便公司办理相应手续。否则，一切后果由员工自行承担。

11.3 员工应及时向公司提供相关用工材料及个人信息并保证提供材料的真实性，以便公司及时为其办理用工手续及相关事宜。一旦员工的个人信息发生变更，员工应在该等变更发生起 3 日内书面通知公司。因员工未及时向公司提供用工材料、个人信息或未就个人变更信息及时书面通知公司，造成公司无法及时为员工办理用工退工手续、档案转移手续、社会保险缴纳手续等一切后果由员工自行承担。

11.4 本合同序言部分载明的双方的“居住地址”为双方一切函件往来的唯一有效联系地址，若有变更，应及时通知对方；否则，因地址变更所引起的无法送达的责任，应由责任方承担。如给对方造成损失的，应当承担赔偿责任。同时，寄往员工提供的如本合同开头所示地址的通知、信件或文件将被视为有效寄出并在公司所用寄送方式的通常接收日已送达至员工。

The Employee shall provide the relevant human resource related materials to the Company before he/she starts working at the Company.

It is the Employee's obligation to assist the Company to carry out the legalized employment procedure and other relevant procedures. If the Company fails to carry out the legalized employment procedure due to the Employee's reason, the Employee shall assume any consequence arising thereof.

If the Employee who has a non-Shanghai household register obtains the Shanghai household register during the term of this Contract, he/she shall submit Shanghai Entrance Approval, copy of household register and file certificate for the Company to handle the related procedures. Otherwise, the Employee shall assume any liability arising thereof.

The Employee shall provide the relevant employment materials and personal information to the Company and insure the authenticity, so that the Company can carry out the employment procedure and relevant affairs for the Employee in time. Once the Employee's personal information changes, the Employee shall notify such changes to the Company within three days in written. If the Employee fails to provide the employment materials, personal information in time or fails to notify the Company for any change of personal information in written on time, causing the Company not to be able to carry out the employment and termination procedure, personal file transfer procedure, social insurances contribution procedure and the like, the Employee shall assume any liability arising thereof.

The residence address recorded in the PREFACE shall be the sole effective contact address of the Parties' correspondence. Each Party shall notify the counterparty for any changes. Otherwise, it shall assume any liabilities of the failure to delivery due to the address change and compensation for any losses of the other Party suffers thereof. Meanwhile, notices, letters or documents to the address of the Employee given at the beginning of this Contract shall be deemed to have been effectively sent and to have delivered to the Employee on usual receiving date applicable to the contact method used by the Company.

11.5 若员工负有竞业限制义务的，其与之相关的权利义务参见【附件4竞业限制协议】。

11.6 本合同及其附件(如有)构成了关于员工雇用事宜的双方之间的完整协议，并取代了任何之前的口头或书面的讨论、协商和协议。本合同未尽事宜，双方另有约定的从约定；双方没有约定的，遵照相关法律法规执行；如相关法律法规没有规定的，双方应遵循平等自愿、友好协商一致原则，另行签订协议作为本合同的补充协议。

11.7 员工负有诚信义务，承诺其在签订劳动合同时，就其与劳动合同直接相关的基本情况(包括但不限于已经与其原用人单位解除或者终止劳动合同、其所提供的资质证明的真实性及合法性、其所提供的知识产权相关信息的真实性及合法性等)向公司作了如实说明，如有虚假，员工将承担相应责任。

11.8 员工在此陈述，在签署本合同之前，员工已全面阅读并充分理解、自愿接受本合同的所有条款和条件；员工并非受强迫或威胁或其他非法限制而签订本合同；员工签署本合同不会使员工违反对其有约束的任何先前的协议；在签署本合同之前，员工已有充分的时间考虑是否签署本合同，包括但不限于获得与员工聘请的律师讨论本合同有关条款和条件、以及相应的法律后果的机会。

If the Employee has non-competition obligation to the Company, the related rights and obligations shall be referred to Annex 4 - Non-competition Agreement.

This Contract and any annexes attached hereto (if any) constitute the entire agreement between the Parties in relation to the Employee's employment, and shall supersede all prior discussions, negotiation and agreement, whatever in oral or writing. Any matters not mentioned herein shall be handled through the Parties' agreements; where no such agreement exists, relevant laws and regulations may be applied to; in case no provisions are stipulated in relevant laws and regulations, the Parties may enter into a separate agreement as the supplementary agreement of this Contract based on the principle of equality and friendly negotiation.

The Employee owes a duty of good faith and promises that when signing this Contract, he/she has truly explained all the basic information directly related to this Contract (including without limitation to the termination or ending of the employment contract with the former employer, the authenticity and legitimacy of the qualifications/certificates he/she provided, the authenticity and legitimacy of the intellectual property right related information he/she provided). The Employee shall assume the liability if it is false.

The Employee hereby states that: the Employee has thoroughly read and understood and are willing to accept all terms and conditions related to this Contract before the Employee enters into this Contract; the Employee enters into this Contract without suffering force or threat or unlawful restriction; by entering this Contract, the Employee will not breach any prior agreements binding upon the Employee; the Employee has enough time to decide whether to conclude this Contract, including without limitation the chance of discussing with lawyers appointed by the Employee about the terms, conditions and relevant legal results of this Contract before his/her entering into this Contract.

11.9 本合同条款如与国家法律、法规相抵触的，以国家法律、法规为准。本合同规定的任何条款因与法律、法规、规章冲突或依据法律、法规、规章成为无效或不合法时，这些条款不影响本合同其他条款的存续和有效性。

In case the terms and conditions of this Contract is conflict with the laws and regulations, the laws and regulations shall prevail. If any provision of this Contract is invalid or illegal in any respect in accordance with applicable laws, rules and regulations, or conflict with any laws, regulations or rules, the validity and legality of the remaining provisions hereof shall not be affected.

11.10 本合同以中英文签署，一式二 (2)份，双方各执一份，具有同等法律效力，且从双方签署之日起生效。

This Contract is made in both Chinese and English and executed in two (2) originals, with both having equal effect, and shall be effective from the signature of the Parties.

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(签约地点及日期)  
(Signing Place and Date)

上海蔚来汽车有限公司  
(单位盖章)  
(Corporate Seal)

[ ] 先生/女士

签约地： ， 中国

Execution Venue: , the People's Republic of China

**回执**  
**Receipt**

本人在签署本劳动合同时，已经领取了本劳动合同原件一份作为个人留存版本。

I have received an original copy for my record when signing this Employment Contract.

员工姓名(Employee Name)：

身份证号(ID Card Number)：

日期(Date)：

**Appendix**

<input type="checkbox"/>	附件 1 岗位描述	Annex 1 Job Description
<input type="checkbox"/>	附件 2 保密协议	Annex 2 Confidentiality Agreement
<input type="checkbox"/>	附件 3 公司浮动奖金计划	Annex 3 Company Variable Bonus Plan
<input type="checkbox"/>	附件 4 竞业限制协议	Annex 4 Non-competition Agreement

**说明：**符号“☐”指相应附件适用于本合同；符号“☐”指相应附件不适用于本合同。

**Note:** Symbol “☐” represent the corresponding annex is effective in this contract; symbol “☐” represent the corresponding annex is ineffective in this contract.



## Executive Employment Agreement

This Executive Employment Agreement (this “**Agreement**”) is dated as of September 25, 2017.

### BETWEEN

- (1) Louis Tung-Jung Hsieh, an individual residing in Hong Kong, whose passport number is [\*] (the “**Executive**”); and
- (2) NIO NEXTEV LIMITED, a company incorporated in Hong Kong (the “**Company**”) with registered offices at RM 502 BANK OF AMERICA TOWER 12 HARCOURT ROAD CENTRAL HONG KONG.

Each of the parties to this Agreement is referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

**WHEREAS** the Company believes it is in the best interests of the Company to employ the Executive to serve the Company. Accordingly, the Company and the Executive agree to enter into this Agreement.

Now therefore, in consideration of the mutual promises, covenants and agreements contained herein, the Parties reach the following agreements:

### 1. Term of Agreement

This Agreement commences on October 1, 2017 (the “**Start Date**”) and ends on May 21, 2021 (the “**Employment Period**”). This Agreement may be terminated by either Party prior to the end of the Employment Period in accordance with clause 6 below.

### 2. Position and Duties

- (a) The Executive shall be employed by the Company as the Chief Finance Officer and will directly report to the Chief Executive Officer and the Board of Directors (the “**Board**”) of NIO Co., Ltd. (a/k/a NIO and hereunder referred to as the “**Holding Company**”, together with its subsidiaries, the “**Group**”). The Company may change the Executive’s title, position or job duties according to the Company’s business needs, the Executive’s capacity or work performance to the extent lawful and reasonable. The Company reserves the right to change the location of employment following reasonable notice.
- (b) The Executive shall faithfully and diligently perform such duties and responsibilities as are consistent with his office in relation to the Company and the Group, and in accordance with the standards of the industry and any additional duties now or hereafter assigned to the Executive by the Company.

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- (c) The Executive shall comply with all of the Company's lawful resolutions, rules, regulations, directions and practices, as may be passed or amended by the Board from time to time.
  - (d) Except upon the prior written consent of the Company, the Executive will not, during the term of this Agreement, accept any other employment, or engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that might interfere with the Executive's duties and responsibilities hereunder, or create a conflict of interest with the Company.

### **3. Compensation and Bonus**

- (a) In consideration for the performance of his duties hereunder, the Executive shall receive a base salary of HK\$90,159 per month during the Employment Period, whose designated bank account is following:

Bank Account Name: [\*]

Bank of Deposit: [\*]

Account Number: [\*]

Swift Code: [\*]

A 13th month salary in amount of HK\$90,159 shall be paid each year if the Executive is still employed by the Company during the last month of the year. If the Executive is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), the 13th month salary will be calculated and paid pro rate based on the actual service period of the year.

The Company may reasonably adjust the Executive's salary upon any change in his title, position or work place, based on the needs of the Company's operations or based on changes in the Executive's performance or other similar reasons.

- (b) The Executive's performance will be reviewed by the Company at least once a year, and whether the Executive is entitled to any bonus and related amount of such bonus will be measured against personal/department/ company performance and achievement. If the Executive is entitled to any bonus according to the Internal Rules and Regulations of the Company and above requirements, the Company will pay such bonus in January of the year following the performance year being assessed, provided that the Executive is still hired by the Company on December 31 for the performance year. If the Executive is hired within that year and working until December 31 (i.e. his/her service year with the Company is less than 1 year), and he/she shall be entitled to any bonus according to the Internal Rules and Regulations of the Company and above requirements, the bonus will be made pro rate based on the actual service period. The details for the bonus are shown in Annex 2 – Company Variable Bonus Plan of this Agreement.

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- (c) During the Employment Period:
- (i) the Company shall reimburse the Executive of all reasonable out-of-pocket expenses properly and reasonably incurred by him in the course of conducting the business or affairs of the Company pursuant to this Agreement, or in the discharge of his duties hereunder, subject to such expenses being evidenced in such manner as the Board or its designee(s) may require.
  - (ii) the Executive shall be entitled to participate in, and to receive benefits from all present and future medical, supplementary medical insurance, personal accident insurance and other non-statutory benefits that the Company may, at its absolute discretion, provide to its employees from time to time.
- (d) IPO Cash Bonus: upon completion of an initial public offering of NIO's shares on a reputable stock exchange such as but not limited to the NASDAQ, Hong Kong Stock Exchange, Or New York Stock Exchange, the Executive shall be paid a cash bonus of US Dollars 3,000,000.00 subject to deduction for applicable taxes.
- (e) Except otherwise agreed and in line with the relevant laws, the Executive shall assume all the tax and fees related to his remuneration including basic salary, bonus, allowance and other additional benefits according to the laws.
- (f) The Executive hereby confirms and warrants to maintain the confidentiality of his compensation and benefits. The Executive shall not disclose his/her salary information to other employees of the Company or any third party unless required to do so by law or to the Executive's professional advisors who will themselves be bound by this confidentiality provision. The Executive's violation of this Article shall be deemed to be a material breach of the Internal Rules and Regulations of the Company. The Company may immediately terminate this Agreement and dismiss the Executive upon such event.
- (g) Please refer to Annex 4 Benefit Policies for more benefits provisions.

#### **4. Working Hours and Holidays**

The Executive shall carry out his duties on a full-time basis, being no less than eight (8) hours each day, from Monday to Friday of every week ("Work Day"), excluding any statutory or other approved holidays. The Executive shall also be available to work flexible working hours outside of the Work Day, as may be required to fulfill his duties.

The Executive shall be entitled to twenty (20) days paid leave per year, in addition to statutory annual leave. Such annual leave will be prorated for a year if the Executive works for less than a full year in a given year.

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**5. Location of Work**

The Executive shall be required to work in any or all locations(s), within or outside the jurisdiction of Hong Kong, as may be assigned by the Company from time to time. Such locations(s) may include but are not limited to the premises of the Company's related companies in Shanghai, the People's Republic of China (the "**PRC**").

**6. Termination of Employment and Severance Benefits**

- (a) Termination of Employment. Without prejudice to the accrued rights (if any) or remedies of either party under or pursuant to this Agreement, and notwithstanding any provision to the contrary stated herein, this Agreement may, subject to any applicable laws and regulations, be terminated upon the occurrence of any of the following events:
- (i) The Company's determination in good faith to terminate the Executive's employment for Cause (as defined in clause 8 below);
  - (ii) A determination by the Board to terminate the Executive's employment without Cause and at the Company's sole discretion for any reason;
  - (iii) The Executive delivering written notice to the Company of his wish to resign ("**Voluntary Termination**"); provided the effective date of the Executive's Voluntary Termination shall be no earlier than three months after the delivery of written notice to the Company ("**Notice Period**"); or
- (b) Effect of Termination and Severance Benefits. The Executive and the Company each agrees that the following provisions shall apply in the event of termination of employment:
- (i) Voluntary Termination. If the Executive's employment is terminated by way of Voluntary Termination, the Executive shall not be entitled to receive payment of any Severance Payment (defined below). The Company shall have the option, at its sole discretion, to make the Executive's termination effective at any time prior to the end of such Notice Period, provided the Company shall provide the Executive with all compensation to which he is entitled, up to the last day of the Notice Period (inclusive). Thereafter, all obligations of the Company under this Agreement shall cease.
  - (ii) Involuntary Termination. Except where the Executive's employment is terminated for Cause, or by death or disability, if the Company terminates the Executive's employment at any time, the Executive shall be eligible to receive an amount equal to twelve (12) weeks of the Executive's Base Salary calculated from the date of the termination, and payable in the form of salary continuation (the "**Severance Payment**").
  - (iii) Termination for Cause. The Company shall pay to the Executive all compensation to which the Executive is entitled, up to the date of termination, and thereafter, the Company shall be discharged of all its obligations under the Agreement.

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(c) Termination Obligations

Upon termination of the Executive's employment, the Executive agrees that:-

- (i) all property, including and without limitation to, all equipment, tangible proprietary information, documents, records, notes, correspondence, accounts, contracts, and computer-generated materials created or used in connection with the performance of the Executive's duties, and which are within the Executive's power, possession or control, shall be promptly returned to the Company upon termination of the Executive's employment.
- (ii) the Executive shall be deemed to have resigned from all offices and directorships then held with the Company and any subsidiary of the Company.
- (iii) the Executive shall cooperate with the Company in the winding up or transferring to other employees of any pending work product, communications with third parties, and other and all official duties and obligations ordinarily performed by the Executive in connection with his employment.
- (iv) the Executive shall cooperate with the Company in the defense of any action brought by any third party against the Company relating to the Executive's employment with the Company.
- (v) the Executive shall automatically be removed from his positions in any committees of the Board (as applicable).
- (vi) the Executive shall not at any time thereafter hold himself out as an employee, officer, director or representative of the Company or any of its subsidiaries, or a person connected with the Company in any respect.
- (vii) the Executive agrees that his obligations under this clause as well as clause 7 shall survive the termination of employment and the expiration of this Agreement.

7. Restrictive Covenants

(a) Confidentiality Agreement.

The Executive acknowledges that all Confidential Information (as defined in clause 8) is developed at substantial cost and effort to the Company. The Executive shall, neither during the course of his employment (except in the proper performance of his duties and then only in accordance with any policies, rules or guidelines issued by the Company from time to time) nor at any time (without limitation) after his termination of employment, directly or indirectly:

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- (i) use, or cause or permit to be used, take away, conceal or destroy, for his own purposes or for the purpose of any other person, company, business entity or other organization whatsoever, any Confidential Information;
  - (ii) disclose or communicate, cause or permit to be disclosed or communicated to any person, company, business entity or other organization outside of the Group, any Confidential Information;
  - (iii) through any failure to exercise all due care and diligence, cause or permit any unauthorized disclosure of any Confidential Information, including information (without limitation):-
    - (1) relating to the dealings, organization, business finance, transactions or any other affairs of the Group or its clients or customers; or
    - (2) in respect of which any such company is bound by an obligation of confidence to any third party.

The obligations contained in clause 7(a) shall cease to apply to any information or knowledge which (otherwise than through the default of the Executive) subsequently becomes available in the public domain or is otherwise required by law or court order to be disclosed.

All notes, memoranda, records and writings made by the Executive in relation to the business of the Group or concerning any of its dealings or affairs or the dealings or affairs of any clients or customers of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the case may be) from time to time on demand and in any event upon him leaving the service of the Company, and the Executive shall not retain any copy thereof.

Please refer to Annex 1 Confidentiality Agreement for the details. The attachment is the integral part of this Agreement.

- (b) Non-interference. Following termination of the Executive's employment for any reason, the Executive agrees that he will not, for a period of one (1) year following such termination, on behalf of the Executive or on behalf of any other individual, association or entity:
  - (i) call on any of the customers of the Group for the purpose of soliciting or inducing any such customers to acquire (or providing to such customers) any product or service offered by the Group, nor will the Executive, directly or indirectly, as agent or on his own behalf solicit, influence or encourage such customers to take away, divert, or direct their business to the Executive or any person or entity, by or with whom the Executive is employed, associated, affiliated or otherwise related (the "**Executive Related Entity**"); or
  - (ii) interfere with the relationship of the Group, or endeavor to entice away from the Group, any person who is a customer, supplier, or business associate or partner of the Group.

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- (c) Non-solicitation. The Executive hereby agrees that, during the term of his employment and for a period of one (1) year after the termination of this Agreement, he will not:-
- (i) directly or indirectly, interfere with or attempt to interfere with any officers, employees, representatives or agents of the Group;
  - (ii) solicit, recruit, or attempt to solicit or recruit any officers, employees, representatives, or agents of the Group, to work for the Executive or any Executive Related Entity, whether or not such person would commit any breach of his contract, or any employment arrangements, with the Group; or
  - (iii) either on his own account or for any person, solicit business from any person who, at any time during the term of his employment, has dealt with the Group or who, on the termination of his employment, is in the process of negotiating any business or agreement with the Group.
- (d) Non-Competition. The Executive hereby agrees that, during the term of his employment and for a period of one (1) year after the termination of this Agreement (the “**Non-compete Period**”), he shall not, directly or indirectly, in any capacity, engage or participate in, become employed by, serve as a director or officer of, or render advisory or consulting or other services in connection with:-
- (i) the research into, development, manufacture, supply or marketing of any product which is of the same or similar type to any product researched, or developed, or manufactured, or supplied, or marketed by the Group during the twelve-month period immediately preceding the termination;
  - (ii) the development or provision of any services (including but not limited to product support, or consultancy, or customer services) which are of the same or similar type to any services provided by the Group during the twelve-month period immediately preceding the termination.
- (e) The Executive acknowledges that the covenants contained in clauses 7(a),(b),(c) and (d) are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company’s legitimate interests in its Confidential Information and in its relationships with employees, customers and suppliers. The Executive further acknowledges such covenants are essential elements of this Agreement and that, but for such covenants, the Company would not have entered into this Agreement.
- (f) The Company and the Executive have each consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants.
- (g) The Executive owes non-competition obligation to the Company, the related rights and obligations shall be referred to Annex 3—Non-competition Agreement.

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**8. Definitions.**

- (a) “**Confidential Information**” shall mean, in relation to all businesses carried on by the Group from time to time, any trade secrets or confidential information relating or belonging to the Group including but not limited to any such information relating to customer, customer lists or requirements, price lists or pricing structures, sales and marketing information, business plans or dealings, employees or officers, source codes and computer systems, software, technical information, financial information and plans, designs, formula, prototypes, product lines, services, research activities, any document marked ‘Confidential’ (or with a similar expression), or any information which the Executive has been told is confidential or which he might reasonably expect the Group would regard as confidential, or any information which has been given to the Group in confidence by any customer, supplier or other persons.
- (b) “**Cause**” shall mean (i) committing a crime involving fraud, dishonesty, breach of trust, physical harm to any person or of a nature that the Board reasonably believes may negatively impact the reputation of the Company; (ii) willfully engaging in conduct that is in bad faith and materially injurious to the Company, including but not limited to, misappropriation of trade secrets, fraud or embezzlement; (iii) committing a material breach of any Restrictive Covenants under clause 7 (a)(b)(c) or (d) of this Agreement, where any such breach is not cured within twenty (20) days after the Company notifies the Executive in writing of the relevant material breach(es) committed; (iv) willfully refusing to implement or follow a reasonable and lawful instruction, policy or directive of the Company, where such refusal is not cured within twenty (20) days after the Company notifies the Executive in writing of the failure to comply.

**9. No Conflicts**

The Executive represents, and the Company relies on the following express representations:-

- (a) the Executive’s performance of all the terms of this Agreement does and will not breach any other agreement to which the Executive is a party;
- (b) the Executive has not, and will not, during the term of this Agreement, enter into any oral or written agreement in conflict with any of the provisions of this Agreement; and
- (c) the Executive enters into the employment relationship with the Company at his own free will, and without any solicitation by the Company.

**10. Miscellaneous Provisions.**

- (a) Former Service Agreements. This Agreement embodies all of the terms and provisions of and relating to the employment of the Executive by the Company and is in substitution for and supersedes any previous service agreements, arrangements or undertakings entered into between any company in the Group and the Executive in respect of such employment.



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The Executive hereby acknowledges that he has no claim of any kind whatsoever against any company in the Group and without prejudice to the generality of the foregoing, he further acknowledges that he has no claim for damages against any company in the Group for the termination of any previous service agreements, arrangements or undertakings for the sole purpose of entering into this Agreement.

- (b) Amendments and Waivers. Any term of this Agreement may be amended or waived only with the written consent of the parties.
- (c) Entire Agreement. This Agreement, constitutes the entire agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.
- (d) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Hong Kong Special Administrative Region (HKSAR) without giving effect to the principles of conflict of laws.
- (e) Severability. If at any time any provision of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, such provision shall be deemed to be deleted from this Agreement, and the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any respect be affected or impaired.
- (f) Arbitration. In the event that any controversy, claim or dispute arises concerning either (a) the interpretation or (b) the performance by any Party to this Agreement, of any of the terms hereof (a "Controversy"), the Parties shall promptly conduct negotiations in good faith to resolve such Controversy effecting as nearly as possible the intent and purposes of the Parties. Any resolution of such Controversy shall be set forth in a writing signed by each Party involved in such Controversy. If the Parties are unable to settle such Controversy within thirty (30) days, the Controversy or Controversies remaining shall be finally and exclusively settled by binding arbitration in HKSAR (or such other location as the Parties may mutually agree) under the rules of the Hong Kong International Arbitration Centre then in force.
- (g) No Waiver. In no circumstances shall this Agreement be interpreted to mean that the Executive has waived any rights, including due process, to which he is entitled under applicable law.
- (h) Advice of Counsel. The Executive acknowledges that he has had the opportunity to consult legal counsel concerning this Agreement, that he has read and understands the Agreement, that he is fully aware of its legal effect, and that he has entered into it freely based on his own judgment and not on any representations or promises other than those contained in this Agreement.

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[Signature Page Follows]

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The parties have executed this Agreement the date first written above.

NIO NEXTEV LIMITED

By: /s/ Bin Li  
Name: Bin Li  
Title: Director

EXECUTIVE:

Signature: /s/ Louis T. Hsieh

November 23, 2015

Padmasree Warrior  
2950 Alexis Drive  
Palo Alto  
CA 94304, USA

Dear Padmasree:

We are pleased to offer you the position of Chief Development Officer of NextEV, Inc., an exempted company duly incorporated and validly existing under the laws of the Cayman Islands ("Parent"), and the position of Chief Executive Officer of NextEV USA, Inc., a corporation organized under the laws of California (the "Company") and Chief Executive Officer of any other entity established to conduct the business of Parent or its affiliates in the United States, Canada, Central and South America (collectively, the "Future Entities") (Parent, the Company and the Future Entities are collectively referred to in this letter for administrative purposes as "NextEV"). In such positions, you will work from a NextEV office in San Jose and report directly to me in my capacity as Executive Chairman of Parent. Not later than January 31, 2016, you will join Parent's Board of Directors (as well as the governing body of the Company and, at such time as they are formed, any Future Entities), and Parent shall use its reasonable best efforts to cause the current holders of Series A Preferred Shares in Parent (the "Investors") to take the necessary steps for you to serve on Parent's Board of Directors and such other governing bodies while employed by NextEV. You will also serve in such other executive and Board of Director positions with additional affiliates of Parent from time to time and without additional compensation, which shall be consistent with your positions as Chief Development Officer of Parent and Chief Executive Officer of the Company, and in which you shall report directly to me in my capacity as Executive Chairman of Parent. The foregoing notwithstanding, Parent will not add material full-time responsibilities to you or appoint you to a position with an affiliate of Parent and the Company that subjects you to materially adverse tax consequences (other than increased income taxes on increased compensation), without your express written consent and a mutually agreed upon increase in compensation to reflect such increased scope or adverse tax consequences. Prior to the date of this offer letter, NextEV LLC has converted to NextEV USA, Inc., which shall be taxable as a corporation for purposes of U.S. tax law.

If you decide to join us, you will receive an annual salary of USD \$1,500,000.00 (One million and five hundred thousand United States Dollars) which will be paid semi-monthly in accordance with NextEV's normal payroll procedures. Your annual discretionary bonus is 0 - 20% of your annual salary (the "Bonus"). Following a fiscal year during which Parent or the Company has positive EBITDA, your target bonus will be a minimum of 20% of your annual salary. As an employee, you are also eligible to receive employee benefits at the senior executive level pursuant to the terms of NextEV's benefit plans as they may change from time to time. Reasonable business expenses incurred in the performance of your duties hereunder shall be reimbursed by NextEV in accordance with company policies. Parent will pay all reasonable fees and related expenses in connection with (i) the annual preparation and submission of your Federal, state and local, as applicable, tax filings in consultation with your outside advisors, in an amount not to exceed \$10,000 per year and (ii) the drafting, negotiation and execution of this offer letter and any documentation associated therewith in consultation with your counsel.

In addition, on or before January 31, 2016, Parent will grant you an option (the "Option") to purchase 4,849,851 ordinary shares of Parent ("Ordinary Shares"). This Option shall be subject to the terms and conditions of Parent's 2015 Incentive Stock Plan and Award Agreement, substantially in the form attached hereto as Exhibits A and B and subject to modification with respect to non-substantive form and other technical compliance matters, based on the advice of NextEV's counsel, provided that (i) such grant agreement shall incorporate (and be subject to) the terms of your separation agreement governing the acceleration of equity awards and related matters, (ii) your status as a United States person under any shareholder agreement shall not limit or otherwise restrict your right or ability to hold Ordinary Shares and (iii) Parent shall cause the Investors to take the necessary action to implement the provisions of the foregoing subclause (ii). The per share exercise price of the Option shall be equal to the fair market value of an Ordinary Share as of the date of grant, based on a valuation by Teknos Associates determined in a manner consistent with such firm's usual methodology for similarly situated issuers and completed on or before December 11, 2015. The aggregate number of shares subject to the Option shall be adjusted to the extent necessary to ensure that the aggregate number of Ordinary Shares subject to the Option, together with the number of Preferred Shares purchased by you, as described below, represents 3.13% of the fully diluted equity of Parent as of the date the Option is granted.

On or before January 31, 2016, you shall purchase 7,274,776 Series A-3 preferred shares of Parent ("Preferred Shares") at a price per share equal to the purchase price paid for the same class of securities acquired by Sequoia Capital and Joy Capital in the most recent round of financing prior to the date of this offer letter. The number of shares purchased hereunder shall be adjusted to the extent necessary to ensure that the aggregate number of Preferred Shares purchased hereunder, together with the number of Ordinary Shares subject to the Option, represents 3.13% of the fully diluted equity of Parent as of the date of such purchase. NextEV will provide you with a loan in the amount necessary to fund your purchase of such Preferred Shares (the "Loan"), subject to Parent's shareholder agreement (the "Shareholder Agreement"). The Loan will bear interest at the lowest rate allowed by Internal Revenue Service rules and regulations. The Loan will have a six-year maturity ("Maturity") with a balloon payment due thereon, provided that you may prepay your Loan at any time and provided further that in the event of an initial public offering of Parent, you must repay any amounts due under the Loan prior to the consummation of such initial public offering. The Loan will be secured by the Preferred Shares you have acquired and (i) your personal liability on the Loan and the recourse of the lending entity on the Loan against you will be limited at all times to 50% of the then outstanding Loan amount (the "Limited Recourse"), (ii) under no circumstances may NextEV set-off against or otherwise reduce any amounts otherwise due to you from NextEV in satisfaction of any amounts due under the Loan, (iii) the terms of any pledge agreement in respect of the Loan shall ensure that you remain entitled to any distributions or other payments attributable to the pledged shares, and any voting or other rights attributable to the pledged shares, so long as you are not in default under the Loan and (iv) no default shall be deemed to exist under the Loan unless you have been provided with written notice and a reasonable opportunity to cure such default. If your employment with NextEV terminates for any reason prior to Maturity, then the Loan shall be due and payable upon the Maturity, and NextEV may foreclose on the pledged shares to the extent necessary to satisfy any then outstanding amounts due under the Loan, and your exposure with respect to any remaining amounts due shall be subject to Limited Recourse.

Notwithstanding any terms of the Shareholder Agreement to the contrary, you may tender the Preferred Shares for all or a portion of the outstanding amounts due under the Loan (including interest), or to cover any taxes associated with the Loan, and retain the remainder of the Preferred Shares, if any. With respect to your status as a holder of Preferred Shares, Parent shall use reasonable efforts to ensure that the Investors take the necessary steps to provide for the issuance of the Preferred Shares to you in accordance with this offer letter, including any necessary consent under, or amendment to, the financing agreements for the Preferred Shares, and so that you are provided, on a pro rata basis, with (i) registration rights under Section 6.2 of the Shareholder Agreement, (ii) participation rights under Sections 6.4, 6.5, 7.2, 7.6, 8, and 12.12 of the Shareholder Agreement and (iii) subject to applicable law, the right to transfer any of your equity interests in NextEV to any entity in which you are a controlling shareholder for estate planning purposes. For purposes of Parent's Articles of Association, your "Series A Original Issue Date" shall be a date on or around the date on which you purchase the Preferred Shares.

If your employment terminates for any reason at any time prior to the third anniversary of your employment commencement date, Parent may, by written notice to you at any time prior to such third anniversary, elect to repurchase any or all of the Preferred Shares that you have purchased hereunder at a purchase price determined as follows:

(i) If Parent makes such repurchase election prior to the first anniversary of your employment commencement date, the purchase price for 75% of such Preferred Shares shall be the lesser of (A) \$1.75 per share or (B) \$0.10 above the fair market value per share, as determined below, and the purchase price for 25% of such Preferred Shares shall be the fair market value of such Preferred Shares, as determined below;

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(ii) if Parent makes such repurchase election on or after the first anniversary, but prior to the second anniversary, of your employment commencement date, the purchase price for 50% of such Preferred Shares shall be the lesser of (A) \$1.80 per share or (B) \$0.15 above the fair market value per share, as determined below, and the purchase price for 50% of such Preferred Shares shall be the fair market value of such Preferred Shares, as determined below, and

(iii) if Parent makes such repurchase election on or after the second anniversary, but prior to the third anniversary, of your employment commencement date, the purchase price for 25% of such Preferred Shares shall be the lesser of (A) \$1.85 per share or (B) \$0.20 above the fair market value per share, as determined below, and the purchase price for 75% of such Preferred Shares shall be the fair market value of such Preferred Shares, as determined below.

The fair market value of any Preferred Shares repurchased by Parent shall be determined as of the date of Parent's repurchase election based on a valuation by Teknos Associates (or such other valuation firm selected by Parent and reasonably acceptable to you) determined in a manner consistent with such firm's usual methodology for similarly situated issuers. The per share amounts specified above shall be equitably adjusted to reflect stock splits, reverse stock splits and other similar changes in the capitalization of Parent after the date such Preferred Shares were purchased. The repurchase of such Preferred Shares shall be consummated within 10 days after such valuation has been completed, but in no event later than 2 1/2 months after the last day of the calendar year in which Parent makes the repurchase election hereunder. The purchase price of any Preferred Shares repurchased hereunder shall be paid first through a reduction of the principal balance of the Loan, and if an additional amount remains payable to you after the Loan has been repaid in its entirety, such amount shall be paid by Parent in cash. It is intended that the amount paid by Parent for any Preferred Shares repurchased hereunder shall constitute the payment of purchase price in a negotiated capital transaction, and not compensation to you. In the event it is conclusively determined that any portion of such repurchase price constitutes compensation income to you, Parent shall pay to you a gross-up amount equal to any and all applicable federal, state, local and foreign income and employment taxes applicable to such portion of the repurchase price; provided that for purposes of determining the gross-up amount the federal income tax rate applicable to such portion of the repurchase price shall be reduced by the applicable tax rates applicable to capital gain.

Parent represents and warrants that the Preferred Shares that you purchase hereunder will not be, upon issuance, subject to any repurchase right by Parent or any of its affiliates that results from the termination of your employment for any reason other than as provided for above, and the Ordinary Shares to be issued upon the exercise of the Option likewise shall not be subject to any such repurchase right except to the extent such Ordinary Shares are forfeited pursuant to the terms of the Option grant. Any future imposition of such repurchase rights shall be subject to agreement by you. Parent further represents and warrants that the Preferred Shares that you purchase hereunder will not be subject to any call right under Article 33 of Parent's Articles of Association.

All equity and/or equity-based compensation, whether purchased, granted, awarded or otherwise received, shall be subject to the terms and conditions set forth in any applicable plans or agreements, which in the case of the initial grant will be substantially in the forms attached as Exhibits A and B hereto and subject to modification with respect to non-substantive form and other technical compliance matters, based on the advice of NextEV's counsel. You agree to execute any agreements or other instruments required by Parent or the Company in this regard.

As of your employment commencement date, NextEV will enter into the Indemnification Agreement attached as Exhibit C hereto, which shall provide, without limitation, for a right to indemnification for any claims brought against you as a shareholder of Parent pursuant to Section 13.18 of the Shareholder Agreement. In addition, on or before your employment commencement date, NextEV will obtain directors' and officers' liability insurance that is consistent with the terms set forth in Exhibit D.

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NextEV is excited about you joining and looks forward to a beneficial and fruitful relationship. Nevertheless, you should be aware that your employment with NextEV is for no specified period and constitutes at-will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, NextEV is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice.

NextEV reserves the right to conduct background investigations and/or reference checks on all of its potential employees. Your job offer, therefore, is contingent upon a clearance of such a background investigation and/or reference check, if any.

For purposes of federal immigration law, you will be required to provide to the NextEV documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

We also ask that, if you have not already done so, you disclose to NextEV any and all agreements (including those relating to your prior employment) that may affect your eligibility to be employed by NextEV or limit the manner in which you may be employed. It is NextEV's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. You understand that the existence of any agreement that could affect your eligibility to be employed by NextEV or limit the manner in which you may be employed that has not been disclosed to us prior to the date of this letter constitutes grounds for termination. Moreover, you agree that, during the term of your employment with NextEV, you will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which NextEV is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the NextEV, provided that the foregoing will not prevent you from (i) participating on the boards of directors of your Permitted Directorships or engaging in other permitted outside activities, listed on Exhibit E or (ii) managing your passive personal investments so long as such activities in the aggregate do not materially interfere or conflict with your duties hereunder or create a potential business or fiduciary conflict. Similarly, you agree not to bring any third-party confidential information to NextEV, including that of your former employer, and that you will not in any way utilize any such information in performing your duties for NextEV.

As a NextEV employee, you will be expected to abide by NextEV's rules and standards, and the NextEV's rules of conduct which are included in the NextEV Handbook.

As a condition of your employment, you will also be required to sign and comply with an At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement (the "Arbitration Agreement"), which requires, among other provisions, the assignment of patent rights to any invention made during your employment at NextEV, and non-disclosure of proprietary information (it being understood that you shall at all times remain free to disclose your roles, responsibilities and experiences at NextEV as part of any autobiographical work or project or professional resume or compilation, so long as such disclosure does not involve sensitive and confidential technical or proprietary information). You will also be required to sign and comply with a Severance Agreement in the form agreed to as Exhibit F. In the event of any dispute or claim relating to or arising out of our employment relationship, you and NextEV agree to an arbitration in which (i) you are waiving any and all rights to a jury trial but all court remedies will be available in arbitration, (ii) we agree that all disputes between you and the NextEV shall be fully and finally resolved by binding arbitration, (iii) all disputes shall be resolved by a neutral arbitrator who shall issue a written opinion, (iv) the arbitration shall provide for adequate discovery, and (v) NextEV shall pay all the arbitration fees, except an amount equal to the filing fees you would have paid had you filed a complaint in a court of law. Such arbitration shall take place under the laws of the State of California and at a mutually agreed upon location in San Jose, California.

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The provisions of Section 18 of the Severance Agreement (“Representations”) and Section 22 of the Severance Agreement (“Compliance with Section 409A of the Code”) shall apply, in each case mutatis mutandis, to the authority of NextEV to enter into and perform its obligations under this offer letter (with respect to Section 18) and to any payments under this offer that may be “deferred compensation” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (with respect to Section 22).

To indicate your acceptance of this offer, please sign and date this letter in the space provided below. If you accept our offer, your first day of employment will be December 16, 2015. This letter, along with any agreements relating to proprietary rights between you and NextEV, including without limitation, the Severance Agreement, the Equity documentation substantially in the forms attached hereto as Exhibits A and B and subject to modification with respect to non-substantive form and other technical compliance matters, based on the advice of NextEV’s counsel, the Shareholder Agreement, the Arbitration Agreement, the Loan agreement, and any employee handbook, set forth the terms of your employment with NextEV and supersede and extinguish any prior representations or agreements including, but not limited to, any representations made during your interviews or relocation negotiations, whether written or oral. This letter, including, but not limited to, its at-will employment provision, may not be modified or amended except by a written agreement signed by the Chairman of Parent’s Board of Directors and you. This offer of employment will terminate if it is not accepted, signed, and returned by November 27, 2015.



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We look forward to your favorable reply and to working with you at NextEV.

Sincerely,

/s/ William Bin Li

William Bin Li

Chairman, NextEV, Inc. Board of Directors

Agreed to and accepted:

/s/ PADMASREE WARRIOR

Printed Name: PADMASREE WARRIOR

Date: NOVEMBER 23, 2015

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## SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (this “**Agreement**”) is entered into effective as of the Effective Date between NextEV USA, Inc., a California corporation (the “**Company**”), NextEV Limited, a Hong Kong Private company (“**NextEV Limited**”), NextEV, Inc., a Cayman Islands corporation (“**Parent**”), and Padmasree Warrior (the “**Executive**”).

The Company and the Executive agree as follows:

1. CERTAIN DEFINED TERMS. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) “Annual Bonus” means the bonus paid to Executive pursuant to a formal or informal bonus plan or individual bonus arrangement.

(b) “Base Salary” means the Executive’s annual base salary rate as in effect from time to time.

(c) “Cause” means:

(i) commitment by the Executive (evidenced by a conviction or written, voluntary and freely given confession) of a criminal act constituting a felony involving fraud or moral turpitude;

(ii) commission by the Executive of a material breach or material default of any of the Executive’s agreements or obligations under any provision of any agreement between Executive and the Company, Parent, NextEV Limited or any of their affiliates, which is not substantially cured in all material respects within thirty (30) days after the Company Board gives written notice thereof to the Executive; or

(iii) commission by the Executive, when carrying out the Executive’s Duties to the Company, Parent, NextEV Limited or any of their affiliates, of acts or the omission of any act, which both (A) constitutes gross negligence or willful misconduct and (B) results in material economic harm to the Company or has a materially adverse effect on the Company’s operations, properties or business relationships (determined on a consolidated basis taking into account the business and operations of Parent and its affiliates), which, to the extent curable, is not substantially cured in all material respects within thirty (30) days after the Company Board gives written notice thereof to the Executive.

A&R Severance Agreement 2015

In order for a condition to constitute Cause, the Company must provide written notification and description to the Executive of the existence of and grounds constituting the condition within forty-five (45) days of the initial existence of the condition (or within forty-five (45) days following the Company Board actually becoming aware of such condition, if later), upon the notice of which the Executive shall have a period of thirty (30) days during which she may remedy the condition, to the extent such a remedy is possible. Furthermore, to constitute Cause, the Company must voluntarily terminate the Executive's employment within one hundred eighty (180) days following the initial existence of the condition (or within one hundred eighty (180) days following the Company Board actually becoming aware of such condition, if later). No act shall be deemed "willful" if taken in good faith by the Executive and in the reasonable belief that it is in the best interests of the Company, Parent or their affiliated entities. Prior to being terminated for Cause, the Executive shall be afforded an opportunity to appear with counsel before the Company Board and to address in a meaningful manner any alleged grounds constituting Cause.

(d) "Change in Control" shall mean (a) a merger or consolidation of Parent with any other corporation, other than a merger or consolidation which would result in the voting securities of Parent outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than eighty percent (80%) of the combined voting power of the voting securities of Parent or such surviving entity outstanding immediately after such merger or consolidation, (b) any "person" (as defined in Sections 13(d) and 14(d) of the Exchange Act), other than William Li or any other investor in Parent as of the Effective Date, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Parent representing more than fifty percent (50%) of the combined voting power of Parent's then outstanding securities; provided that a Change in Control shall not be deemed to occur under this Agreement by reason of the acquisition of securities by Parent or any of its affiliates, or an employee benefit plan (or any trust funding such a plan) maintained by Parent or any of its affiliates, (c) the approval by the shareholders of Parent of a plan of complete liquidation of Parent, (d) the sale or disposition by Parent of more than fifty percent (50%) of Parent's assets or (e) any other event constituting a change in control under Parent's 2015 Incentive Stock Plan (or any successor thereto). For purposes of this Agreement, (i) a sale of more than fifty percent (50%) of Parent's assets includes a sale of more than fifty percent (50%) of the aggregate value of the assets of Parent and its Subsidiaries or the sale of stock of one or more of Parent's Subsidiaries with an aggregate value in excess of fifty percent (50%) of the aggregate value of Parent and its Subsidiaries or any combination of methods by which more than fifty percent (50%) of the aggregate value of Parent and its Subsidiaries is sold, and (ii) a transfer of Parent assets to a corporate or non-corporate entity (such as a partnership or limited liability company) in which Parent owns equity securities possessing at least fifty percent (50%) of the total combined voting power of all classes of equity securities in such corporate or non-corporate entity shall not be treated as a sale or disposition by Parent of the assets contributed to such corporate or non-corporate entity.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Company Board" means the Board of Directors of the Company.

(g) "Director" means a member of the Parent Board, Company Board, or board of directors of NextEV Limited, as the case may be.

(h) "Disability" means a physical or mental incapacity that prevents the Executive from performing her duties, with or without accommodation, for a period of one hundred eighty (180) days in any period of two (2) consecutive fiscal years of the Company.

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(i) “Duties” means the title, duties and responsibilities associated with the positions referenced in the Executive’s offer letter and such other duties and responsibilities customarily required of the highest ranking executive officer of a major corporation or such additional title, duties and responsibilities as may be assigned from time to time to the Executive by the Company Board or the Executive Chairman of Parent which are consistent with the positions of President and Chief Executive Officer of the Company and Chief Development Officer of Parent.

(j) “Effective Date” means December 16, 2015.

(k) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(l) “Good Reason” means the occurrence of one or more of the following conditions arising without the consent of the Executive:

(i) A material diminution in the Executive’s annual Base Salary or a material diminution in the Executive’s overall compensation package in the aggregate, in either case below the level in effect on the Effective Date; provided, however, that for purposes of this Section l(i) a material diminution will not be deemed to have occurred if the diminution results from (A) changes to the Executive’s participation level under any long term incentive plans (to the extent permitted under the terms of the Executive’s offer letter) or (B) the failure to achieve applicable performance targets under a performance based plan or program;

(ii) To the extent the Parent Board determines to provide additional equity incentives to executives reporting to Executive or the Parent Board beyond their original sign-on equity grants, the Parent Board does not (i) prior to such grants, consider in good faith making an additional grant to the Executive on the same general terms and for a number of shares consistent with her position at Parent and the Company and her contribution to the overall performance of the business (after taking into account the size of the equity grants under consideration for other executives) or (B) to the extent that the Parent Board has determined to make such a grant to the Executive, does not make such grant at the same time as grants are made to other executives of Parent and the Company;

(iii) a reduction or series of reductions in the aggregate value of the life insurance, accidental death, long term disability, short term disability, medical, dental and vision benefits and expense reimbursement policy available to the Executive as of the Effective Date which, in the aggregate is material;

(iv) a material diminution in the Executive’s Duties;

(v) a requirement that the Executive report to anyone other than the Company Board (in her capacity as CEO of the Company) or the Executive Chairman of Parent (in her capacity as Chief Development Officer of Parent);

(vi) relocation to a location that is more than 50 miles from San Jose, California, the geographic location at which the Executive must perform her Duties, other than for limited periods of time;

(vii) any other action or inaction that constitutes a material breach by the Company of this Agreement or any other agreements under which the Executive provides services to the Company (specifically including a failure of the purchaser in a Change in Control transaction to assume this Agreement in accordance with Section 12 hereof);

(viii) Parent's or the Company's failure to cause the Executive to serve on the Parent Board, Company Board or the board of directors or other such governing body of any NextEV entity for which the Executive serves as Chief Executive Officer;

(ix) Parent's failure to grant the Option to the Executive or consummate the sale of Preferred Shares to the Executive in accordance with the terms of the Executive's offer letter; or

(x) if at any time William Li ceases to directly or indirectly beneficially own, either in one event or as part of a series of transaction, at least 85% of the ownership interest he beneficially owns in Parent as if the date of this Agreement, other than in connection with dilution associated with new investments in Parent.

In order for a condition to constitute a Good Reason, the Executive must provide written notification to the Company Board and the Executive Chairman of Parent of the existence of the condition within forty-five (45) days of the initial existence of the condition (or within forty-five (45) days following the Executive actually becoming aware of such condition, if later), upon the notice of which the Company and Parent shall have a period of thirty (30) days during which they may remedy the condition. Furthermore, to constitute a Good Reason, the Executive must voluntarily terminate employment with the Company within 180 days following the initial existence of the condition (or within 180 days following the Executive actually becoming aware of such condition, if later).

(m) "Parent Board" means the Board of Directors of Parent.

(n) "Subsidiary" or "Subsidiaries" means any corporation or corporations other than Parent in an unbroken chain of corporations beginning with Parent if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(o) "Term" means the period commencing on the Effective Date and ending on the earlier of: (i) the Termination Date; or (ii) the Executive's death or Disability.

(p) "Termination Date" means the date on which the Executive's employment is terminated (the effective date of which will be the date of termination).

## 2. SEVERANCE COMPENSATION.

(a) If the Executive's employment is terminated by the Company other than for Cause or is terminated by the Executive for Good Reason, whether before or after a Change in Control, then the following severance provisions shall apply:

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(i) The Company shall provide the following benefits:

(A) (1) any unpaid Base Salary through the date of termination;

(2) any Annual Bonus earned but unpaid with respect to the fiscal year ending on or preceding the date of termination;

(3) reimbursement for any unreimbursed business expenses incurred through the date of termination; (4) any accrued but unused vacation time in accordance with the Company's vacation policy; and (5) all other payments, benefits or fringe benefits to which the Executive shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement (the "**Accrued Amounts**");

(B) if the Executive elects and maintains COBRA coverage within the period required by law, the Company shall pay for the full cost of COBRA premiums for Executive and her eligible dependents for up to 18 months following the Date of Termination and, if such COBRA payment is taxable, a gross-up amount equal to any and all applicable federal, state, local and foreign income, employment and excise taxes applicable to such COBRA payment;

(C) for the one year period commencing on the Termination Date, pay for executive outplacement services for the Executive from a nationally recognized executive outplacement firm at the level provided for the most senior executives of the Company;

(D) pay to the Executive within thirty (30) days following the Termination Date a single sum payment in an amount equal to one (1) times her annual Base Salary in effect on the Termination Date (or if such annual Base Salary has decreased during the one year period ending on the Termination Date, at the highest rate in effect during such period); and

(E) pay to the Executive within thirty (30) days following the Termination Date a single sum payment in an amount equal to one (1) times her Annual Bonus at the target level in effect during the prior two (2) year period plus the pro rata portion of the target Annual Bonus for the period commencing on the first day of the fiscal year in which the employment of the Executive is terminated and ending on the Termination Date (provided that for purposes of the foregoing, if the Executive's employment terminated on or before the 2<sup>nd</sup> anniversary of her commencement date, the Target Bonus shall be fixed at 20% of her Base Salary, determined in the same manner as provided for in sub-clause (D) above).

(b) If the Executive's employment with the Company is terminated by reason of the Executive's death or Disability during the Term, the Executive or her surviving spouse shall be entitled to receive (i) the Accrued Amounts to the date of death or Disability, (ii) any amounts payable under any employee benefit plan of the Company in accordance with the terms of such plan, and (iii) if the Executive and/or her surviving spouse and dependents elect and maintain COBRA coverage within the period required by law, the Company shall pay for the full cost of COBRA premiums for Executive and her eligible dependents for up to 36 months following the Termination Date and, if such COBRA payment is taxable, a gross-up amount equal to any and all applicable federal, state, local and foreign income, employment and excise taxes applicable to such COBRA payment.

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(c) If the Executive's employment hereunder is terminated:

- (i) by reason of the Executive's death or Disability; or
- (ii) by the Company other than for Cause or by the Executive for Good Reason;

The Executive will become fully vested in all outstanding stock options, restricted stock, restricted stock units or similar awards ("**Award**") and any such options shall be then and thereafter fully exercisable until the termination of such options pursuant to their terms. The Executive shall have the discretion to settle such Awards net of applicable taxes.

(d) If the Executive's employment hereunder is terminated by the Company for Cause or terminated by the Executive other than for Good Reason, then the Executive shall be entitled to receive the Accrued Amounts to the date of termination, and any unvested Award shall immediately expire.

(e) Notwithstanding anything contained in this Agreement to the contrary, if the Executive breaches any of the Executive's obligations under Section 6 hereof, and such breach is not substantially cured in all material respects within thirty (30) days after the Company Board or the Executive Chairman of Parent gives written notice thereof to the Executive, no further severance payments or other benefits will be payable to the Executive under this Section 2.

(f) In the event the Executive's employment terminates prior to the sixth (6th) anniversary of the Effective Date for any reason other than a termination for Cause (including by reason of death, disability or resignation), the Executive shall be entitled to additional severance as described in this Section 2(f). Such additional severance shall be calculated as (i) the number of Series A-3 preferred shares of Parent ("**Preferred Shares**") originally purchased by the Executive pursuant to the terms of the Executive's offer letter multiplied by (ii) the excess, if any, of (A) the per share purchase price paid by the Executive for such Preferred Shares over (B) the fair market value of one Preferred Share as of the Termination Date (equitably adjusted to reflect stock splits, reverse stock splits and other similar changes in the capitalization of Parent after the date such Preferred Shares were purchased) (the "**Additional Severance Amount**"). If the Additional Severance Amount is greater than zero, then, on the ninetieth (90th) day following the date of termination, the Company shall pay the Executive an amount equal to the Additional Severance Amount plus a gross-up amount equal to any and all applicable federal, state, local and foreign income and employment taxes applicable to the Additional Severance Amount; provided that for purposes of determining the gross-up amount the federal income tax rate applicable to such Additional Severance Amount shall be reduced by the federal rate applicable to capital gain (to reflect the potential federal income tax benefit to Executive of the decrease in value of the Preferred Shares).

(g) In the event that the Company is insolvent, or unable to make payments in accordance with this Section 2, or any other section of this Agreement, Parent and NextEV Limited hereby fully guarantee any payments to be made hereunder. The foregoing is an unconditional guaranty of payment that may not be terminated or revoked by Parent and NextEV Limited (collectively, the "Guarantors") and is not a guaranty of collection, and the Guarantors waive all defenses based on suretyship, impairment of collateral or otherwise to the full extent permitted by applicable law. Without limiting the foregoing (i) the Executive may enforce her rights against the Guarantors without first seeking payment or performance from the Company, or notifying the Guarantors of any modification to this agreement or her employment arrangements, (ii) the Guarantors waive any rights to demand, presentment, diligence, protest, notice of dishonor or any other notice to which they may be entitled, (iii) the Executive may otherwise agree with the Company to modify this agreement or her employment arrangements without releasing Guarantors from their obligations hereunder and (iv) the Guarantors shall not have any right of subrogation, reimbursement, indemnification and contribution from the Company until all amounts otherwise due and owing to the Executive have been paid in full.

(h) The Executive shall be entitled to the payments and benefits described in this Section 2, other than the Accrued Amounts, only if Executive signs a general waiver and release substantially in the form attached as **Exhibit A** hereto (the "**Release**") within 21 days after the Termination Date and does not revoke such Release within seven days after she has signed it.

3. TERMINATION FOLLOWING A CHANGE IN CONTROL. If the Executive's employment is terminated by the Company other than for Cause or is terminated by the Executive for Good Reason, in either case within two years after a Change in Control, the Executive shall be entitled to the payments and benefits described in Section 3(a), 3(b) and 3(c).

(a) The Executive will become fully vested in all Awards, but only to the extent not previously forfeited or terminated upon a Change in Control;

(b) The Company shall pay the Executive, within thirty (30) days following the Termination Date, a single sum payment in an amount equal to two (2) times her annual Base Salary in effect on the Termination Date (or if such annual Base Salary has decreased during the one year period ending on the Termination Date, at the highest rate in effect during such period);

(c) The Executive will have available the expenses of enforcement provided in Section 4 hereof. For the avoidance of doubt, this specific reference to the availability of expenses of enforcement in the event of a Change in Control shall not be interpreted to limit the availability of expenses of enforcement in other circumstances.

(d) The Executive shall in addition be entitled to all other payments and benefits otherwise due and owing under Section 2 of this Agreement (other than the payment with respect to Base Salary provided for in Section 2(a)(i)(D) above so long as the Executive has received the payment provided for in Section 3(b) above).

(e) The Executive shall be entitled to the payments and benefits described in this Section 3, other than the Accrued Amounts, only if Executive signs the Release within 21 days after the Termination Date and does not revoke such Release within seven days after she has signed it.



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4. EXPENSES OF ENFORCEMENT. The Executive shall not be required to incur the expenses associated with the enforcement of the Executive's rights under this Agreement by litigation or other legal action. Therefore, the Company shall pay, or cause to be paid, on a current basis, reasonable attorney fees and expenses incurred by the Executive to enforce the provisions of this Agreement, including Sections 2 and 3. The Executive shall be required to repay any such amounts to the Company to the extent that a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the claims of the Executive were frivolous.

5. WITHHOLDING OF TAXES. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

6. CONFIDENTIAL INFORMATION. The Executive agrees that the Executive will not, during the Term or at any time thereafter, either directly or indirectly, disclose or make known to any other person, firm, or corporation any confidential information, trade secret or proprietary information of the Company in violation of that certain offer letter between the Company and the Executive when the Executive joined the Company (the **"Employment Agreement"**).

7. ARBITRATION. The following arbitration rules shall apply to this Agreement:

(a) In the event that the Executive's employment shall be terminated by the Company during the Term or the Company shall withhold payments or provision of benefits because the Executive is alleged to be engaged in activities prohibited by Section 6 hereof or for any other reason, the Executive shall have the right, in addition to all other rights and remedies provided by law, at her election either to seek arbitration in Santa Clara County, California, under the Commercial Arbitration Rules of the American Arbitration Association by serving a notice to arbitrate upon the Company or to institute a judicial proceeding, in either case within one hundred and twenty (120) days after having received notice of termination of her employment.

(b) Without limiting the generality of Subsection 7(a), this Subsection 7(b) shall apply to termination asserted to be for "Cause" or for "Good Reason". In the event that (i) the Company terminates the Executive's employment for Cause, or (ii) the Executive resigns her employment for Good Reason, the Company and the Executive each shall have thirty (30) days to demand of the American Arbitration Association in writing (with a copy to the other party hereto) that arbitration be commenced to determine whether Cause or Good Reason, as the case may be, existed with respect to such termination or resignation. The parties hereto shall have thirty (30) days from the date of such written request to select such third party arbitrator. Upon the expiration of such thirty (30) day period, the parties hereto shall have an additional thirty (30) days in which to present to such third party arbitrator such arguments, evidence or other material (oral or written) as may be permitted and in accordance with such procedures as may be established by such third party arbitrator. The third party arbitrator shall furnish a written summary of their findings to the parties hereto not later than thirty (30) days following the last day on which the parties were entitled to present arguments, evidence or other material to the third party arbitrator.

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During the period of resolution of a dispute under this Subsection 7(b), the Executive shall not be entitled to receive compensation by the Company other than premiums due before or during such period on any insurance coverage applicable to the Executive hereunder, and during such period, the Executive shall have no duties for the Company. If the arbitrator determines that the Company did not have Cause to terminate the Executive's employment or that the Executive had Good Reason to resign her employment, as the case may be, the Company shall promptly pay the Executive the benefits described in Section 2 or Section 3 hereof, as applicable ..

8. EMPLOYMENT AT WILL. The parties hereto acknowledge and confirm that the Executive's employment by the Company is employment-at-will, and is subject to termination by the Executive or by the Company at any time with Cause or without Cause. With this Agreement, the parties hereto do not intend to create, and have not created, a contract of employment, express or implied, between the Executive and the Company. The Executive acknowledges that such employment-at-will status cannot be modified except in a specific writing that has been authorized or ratified by the Company Board.

9. EMPLOYMENT ACTIONS. This Agreement is not intended to create, and will not be construed as creating, an express or implied contract of employment. Nothing contained herein will prevent the Company at any time from terminating the Executive's right and obligation to perform services to the Company or prevent the Company from removing the Executive from any position which the Executive holds with the Company, provided, however, that no such action shall affect the obligation of the Company to make payments and provide benefits if and to the extent required under this Agreement. The payments and benefits provided in this Agreement will be full and liquidated damages for any such employment action taken by the Company.

10. NOTICES. For purposes of this Agreement, all communications provided for herein shall be in writing and shall be deemed to have been duly given when hand delivered or mailed by United States Express mail, postage prepaid, addressed as follows:

- (a) If the notice is to the Company:

Attn: General Counsel  
NextEV USA, Inc.  
3200 N. 1<sup>st</sup> Street  
San Jose, CA 95134

- (b) If the notice is to the Executive, then to the name and address as first stated in the preamble of this Agreement.

or to such other address as either party hereto may have furnished to the other in writing and in accordance herewith; except that notices of change of address shall be effective only upon receipt.

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11. ASSIGNMENT; BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors, heirs (in the case of the Executive) and permitted assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred in connection with the sale or transfer of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee expressly assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale or transfer of assets as described in the preceding sentence, it shall be a condition precedent to the consummation of any such transaction that the assignee or transferee expressly assumes the liabilities, obligations and duties of the Company hereunder. No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than the Executive's rights to compensation and benefits, which may be transferred only by will or operation of law, except as provided in this Section 11.

The Executive shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefits payable hereunder following the Executive's death by giving the Company written notice thereof. In the absence of such a selection, any compensation or benefit payable under this Agreement shall be payable to the Executive's spouse, or if such spouse shall not survive the Executive, to the Executive's estate. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to the Executive's beneficiary, estate or other legal representative.

12. INVALID PROVISIONS. Any provision of this Agreement that is prohibited or unenforceable shall be ineffective to the extent, but only to the extent, of such prohibition or unenforceability without invalidating the remaining portions hereof and such remaining portions of this Agreement shall continue to be in full force and effect. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable, the parties hereto will negotiate in good faith to replace such provision with another provision that will be valid or enforceable and that is as close as practicable to the provisions held invalid or unenforceable.

13. ALTERNATIVE SATISFACTION OF COMPANY'S OBLIGATIONS. In the event this Agreement provides for payments or benefits to or on behalf of the Executive which cannot be provided under the Company's benefit plans, policies or arrangements either because such plans, policies or arrangements no longer exist or no longer provide such benefits or because provision of such benefits to the Executive would adversely affect the tax qualified or tax advantaged status of such plans, policies or arrangements for the Executive or other participants therein, the Company may provide the Executive with an "Alternative Benefit", as defined in this Section 13, in lieu thereof. The Alternative Benefit is a benefit or payment which places the Executive and the Executive's dependents or beneficiaries, as the case may be, in at least as good of an economic position as if the benefit promised by this Agreement (a) were provided exactly as called for by this Agreement, and (b) had the favorable economic, tax and legal characteristics customary for plans, policies or arrangements of that type. Furthermore, if such adverse consequence would affect the Executive or the Executive's dependents, the Executive shall have the right to require that the Company provide such an Alternative Benefit.

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14. ENTIRE AGREEMENT, MODIFICATION. Subject to the provisions of Section 15 hereof, this Agreement contains the entire agreement between the parties hereto with respect to the termination of employment of the Executive by the Company and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties hereto, whether oral or written. No modification, amendment, or waiver of any of the provisions of this Agreement shall be effective unless in writing, specifically referring hereto, and signed by both parties hereto.

15. NON-EXCLUSIVITY OF RIGHTS. Notwithstanding the foregoing provisions of Section 14, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan, program, policy or practice provided by the Company for its executive officers, nor shall anything herein limit or otherwise affect such rights as the Executive has or may have under any stock option, restricted stock or other agreements with the Company or any of its subsidiaries. Amounts which the Executive or the Executive's dependents or beneficiaries, as the case may be, are otherwise entitled to receive under any such plan, policy, practice or program shall not be reduced by this Agreement unless specifically provided.

16. WAIVER OF BREACH. The failure at any time to enforce any of the provisions of this Agreement or to require performance by the other party hereto of any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement or any part of this Agreement or the right of either party hereto thereafter to enforce each and every provision of this Agreement in accordance with the terms of this Agreement.

17. GOVERNING LAW. This Agreement has been made in, and shall be governed and construed in accordance with the laws of, the State of California without giving effect to its conflict of laws provisions. The parties hereto agree that this Agreement is not an "employee benefit plan" or part of an "employee benefit plan" which is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. Each party hereby submits to the exclusive jurisdiction of the appropriate state or federal courts in Santa Clara County, California.

18. REPRESENTATION. The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between it and any other person, firm or organization.

19. SUBSIDIARIES AND AFFILIATES. Notwithstanding any contrary provision of this Agreement, to the extent it does not adversely affect the Executive, the Company may provide the compensation and benefits to which the Executive is entitled hereunder through one or more subsidiaries or affiliates.

20. NO MITIGATION OR OFFSET. In the event of any termination of employment, the Executive shall be under no obligation to seek other employment. Amounts due the Executive under this Agreement shall not be offset by any remuneration attributable to any subsequent employment she may obtain.

21. **EXCISE TAX PROVISION.** Notwithstanding anything to the contrary in this Severance Agreement, but subject to the third sentence of this Section 21, if the Executive is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the benefits provided for under this Severance Agreement, together with any other payments and benefits which the Executive has the right to receive from Parent, the Company, or any other person (“**Covered Payments**”), would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code), then Covered Payments that constitute parachute payments shall be either (1) reduced (but not below zero) so that the present value of such total Covered Payments received by the Executive will be one dollar (\$1.00) less than three times the Executive’s “base amount” (as defined in Section 280G(b)(3) of the Code) and so that no portion of such Covered Payments received by the Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (2) paid in full, whichever produces the better net after-tax position to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The determination as to whether any such reduction in the Covered Payments is necessary shall be made by the Company Board and the Executive in good faith. If Covered Payments are to be reduced hereunder, the reduction shall occur in the following order: (1) reduction of cash payments for which the full amount is treated as a parachute payment; (2) cancellation of accelerated vesting (or, if necessary, payment) of cash awards for which the full amount is not treated as a parachute payment; (3) reduction of any continued employee benefits; and (4) cancellation or reduction of any accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be cancelled or reduced under clause (4) of the preceding sentence, awards shall be selected in a manner that maximizes the after-tax aggregate amount of reduced payments and benefits provided to the Executive, provided that if (and only if) necessary in order to avoid the imposition of an additional tax under Section 409A, awards instead shall be selected in the reverse order of the date of grant. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. Notwithstanding the foregoing, if the Company Board and the Executive mutually agree that shareholder approval (obtained in a manner that satisfies the requirements of Section 280G(b)(5) of the Code) of a Covered Payment would prevent the Executive from receiving a parachute payment, then, upon the request of the Executive and his agreement (to the extent necessary) to subject her entitlement to the receipt of such Covered Payment to shareholder approval, the Company shall seek such approval in a manner that Company and the Executive mutually agree satisfies the requirements of Section 280G of the Code and the regulations thereunder.

22. **COMPLIANCE WITH SECTION 409A OF THE CODE.** Certain payments contemplated by this Agreement may be “deferred compensation” for purposes of Section 409A of the Code. Accordingly, the following provisions shall be in effect for purposes of avoiding or mitigating any adverse tax consequences to the Executive under Section 409A:

(a) A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Code Section 409A, for purposes of any such provision of this Agreement, references herein to “termination”, “termination of employment” or similar terms will mean “separation from service”.

(b) The intent of the parties hereto is that payments and benefits under this Agreement comply with or be exempt from Code Section 409A and the regulations and guidance promulgated thereunder and, accordingly, to the maximum extent permitted, this Agreement will be interpreted to be in compliance therewith or exempt therefrom. In no event whatsoever will the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(c) To the extent any provisions of this Agreement would otherwise contravene one or more requirements or limitations of Code Section 409A, then the Company and the Executive may, within any applicable time period provided under the Treasury Regulations issued under Code Section 409A, effect through mutual agreement the appropriate amendments to those provisions which are necessary in order to bring the provisions of this Agreement into compliance with Code Section 409A, provided such amendments shall not reduce the dollar amount of any such item of deferred compensation or adversely affect the vesting provisions applicable to such item or otherwise reduce the present value of that item. If any legislation is enacted during the term of this Agreement which imposes a dollar limit on deferred compensation, then the Executive will cooperate with the Company in restructuring any items of compensation under this Agreement that are deemed to be deferred compensation subject to such limitation, provided such restructuring shall not reduce the dollar amount of any such item or adversely affect the vesting provisions applicable to such item or otherwise reduce the present value of that item.

(d) Notwithstanding any provision to the contrary in this Agreement, if (i) the Company, in its good faith discretion, determines that any payments or benefits described in this Agreement would constitute non-exempt deferred compensation for purposes of Section 409A of the Code, and (ii) the Executive is a "specified employee" (within the meaning of Section 409A of the Code and the Treasury Regulations thereunder) at the time of her termination of employment, then such payments or benefits shall not be made or paid to the Executive prior to the earlier of (A) the expiration of the six (6) month period measured from the date of such "separation from service" or (B) the date of her death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments deferred pursuant to this Subsection 24(d) shall be paid in a lump sum to the Executive, and any remaining payments due under this Agreement shall be paid in accordance with the normal payment dates specified for them herein.

(e) For purposes of Code Section 409A, the Executive's right to receive any installment payment pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments.

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment will be made within thirty (30) days following the Termination Date"), the actual date of payment within the specified period will be determined solely by the Company; provided that if such period begins in one calendar year and ends in a second calendar year and is conditioned on the Executive's execution of the Release, such payment shall be made in the second of such calendar years.

(g) Notwithstanding any other provision herein to the contrary, in no event will any payment that constitutes non-exempt deferred compensation subject to Code Section 409A, as determined in good faith by the Company, be subject to offset, counterclaim, or recoupment by any other amount payable to the Executive unless otherwise permitted by Code Section 409A.

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(h) To the extent that reimbursements or other in-kind benefits under this Agreement constitute non-exempt deferred compensation for purposes of Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to such reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

*[Remainder of the page intentionally left blank, signature page follows]*

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

NextEV USA Inc  
\_\_\_\_\_  
**(the “Company”)**

/s/ William Li  
\_\_\_\_\_  
By: William Li  
Its: Chairman

NextEV Limited  
\_\_\_\_\_  
**(“NextEV Limited”)**

/s/ William Li  
\_\_\_\_\_  
By: William Li  
Its: Chairman

NextEV Inc  
\_\_\_\_\_  
**(“Parent”)**

/s/ William Li  
\_\_\_\_\_  
By: William Li  
Its: Chairman

/s/ Padmasree Warrior  
\_\_\_\_\_  
PADMASREE WARRIOR  
\_\_\_\_\_  
**(the “Executive”)**

*[Signature page to Severance Agreement]*



### Power of Attorney

Date: April 19, 2018

I, Bin LI, a citizen of the People's Republic of China ("China" or the "PRC") whose Identification Card No. is \*\*\*\*\*, and a holder of 80% of the registered capital of Shanghai Anbin Technology Co., Ltd. (the "Anbin Technology") as of the date of this Power of Attorney, hereby irrevocably authorize and entrust NIO Co., Ltd. (the "WFOE") to exercise the following rights and handle the following matters on my behalf relating to all equity interests held by me now and in the future in Anbin Technology (the "My Shareholding"), during the term of this Power of Attorney:

The WFOE is hereby authorized, as my sole and exclusive agent and attorney, to act on behalf of myself with respect to all rights and matters concerning My Shareholding, including without limitation to: 1) convening and attending shareholders' meetings of Anbin Technology; 2) exercising all of the shareholder's rights and shareholder's voting rights that I am entitled to under the laws of China and the articles of association of Anbin Technology; 3) handling the sale, transfer, pledge or disposition of My Shareholding (in part or in whole), including without limitation executing all necessary equity transfer documents and other documents for disposal of My Shareholding and fulfilling all necessary procedures; 4) representing myself in executing any resolutions and minutes as a shareholder of Anbin Technology on my behalf; 5) nominating, electing, designating, appointing or removing on behalf of myself the legal representative, directors, supervisors, general managers, chief executive officer and other senior management members of Anbin Technology; and 6) approving the amendments to the company's articles of association. Without written consent by WFOE, I have no right to increase, decrease, transfer, pledge, or by any other manner to dispose or change My Shareholding.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on behalf of myself, execute all and any supplementary agreements, ancillary documents, modifications, and/or amended and restated versions in relation to the Exclusive Option Agreement, Equity Interest Pledge Agreement, Exclusive Business Cooperation Agreement and Loan Agreement dated April 19, 2018, by and among WFOE, Anbin Technology and/or myself, and any documents and agreements I shall sign as required in the aforesaid agreements (including without limitation the "Transfer Contract" for the transfer of the "Optioned Interests" as described under the Exclusive Option Agreement), and perform the obligations under the aforesaid documents and agreements.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify the actions taken by the WFOE and the documents executed by the WFOE in relation to My Shareholding.

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I hereby agree that the WFOE has the right to re-authorize or assign one or multiple matters and its rights related to such matters under this Power of Attorney to any other person or entity at its own discretion and without obtaining my prior consent. If required by PRC laws, the WFOE shall designate a qualified PRC citizen to handle such matters and exercise such rights as set forth in this Power of Attorney.

This Power of Attorney takes effect as of the date hereof. During the period that I am a shareholder of Anbin Technology, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

By: /s/ Bin Li

Name: Bin LI

Witness: /s/ Shuye Wu

Name: Shuye WU

Accepted by:

**NIO Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

Acknowledged by:

**Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

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## Power of Attorney

Date: April 19, 2018

I, Lihong QIN, a citizen of the People's Republic of China ("China" or the "PRC") whose Identification Card No. is \*\*\*\*\*, and a holder of 20% of the registered capital of Shanghai Anbin Technology Co., Ltd. (the "Anbin Technology") as of the date of this Power of Attorney, hereby irrevocably authorize and entrust NIO Co., Ltd. (the "WFOE") to exercise the following rights and handle the following matters on my behalf relating to all equity interests held by me now and in the future in Anbin Technology (the "My Shareholding"), during the term of this Power of Attorney:

The WFOE is hereby authorized, as my sole and exclusive agent and attorney, to act on behalf of myself with respect to all rights and matters concerning My Shareholding, including without limitation to: 1) convening and attending shareholders' meetings of Anbin Technology; 2) exercising all of the shareholder's rights and shareholder's voting rights that I am entitled to under the laws of China and the articles of association of Anbin Technology; 3) handling the sale, transfer, pledge or disposition of My Shareholding (in part or in whole), including without limitation executing all necessary equity transfer documents and other documents for disposal of My Shareholding and fulfilling all necessary procedures; 4) representing myself in executing any resolutions and minutes as a shareholder and a director of Anbin Technology on my behalf; 5) nominating, electing, designating, appointing or removing on behalf of myself the legal representative, directors, supervisors, general managers, chief executive officer and other senior management members of Anbin Technology; and 6) approving the amendments to the company's articles of association. Without written consent by WFOE, I have no right to increase, decrease, transfer, pledge, or by any other manner to dispose or change My Shareholding.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on behalf of myself, execute all and any supplementary agreements, ancillary documents, modifications, and/or amended and restated versions in relation to the Exclusive Option Agreement, Equity Interest Pledge Agreement, Exclusive Business Cooperation Agreement and Loan Agreement dated April 19, 2018, by and among WFOE, Anbin Technology and/or myself, and any documents and agreements I shall sign as required in the aforesaid agreements (including without limitation the "Transfer Contract" for the transfer of the "Optioned Interests" as described under the Exclusive Option Agreement), and perform the obligations under the aforesaid documents and agreements.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify the actions taken by the WFOE and the documents executed by the WFOE in relation to My Shareholding.

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I hereby agree that the WFOE has the right to re-authorize or assign one or multiple matters and its rights related to such matters under this Power of Attorney to any other person or entity at its own discretion and without obtaining my prior consent. If required by PRC laws, the WFOE shall designate a qualified PRC citizen to handle such matters and exercise such rights as set forth in this Power of Attorney.

This Power of Attorney takes effect as of the date hereof. During the period that I am a shareholder of Anbin Technology, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

By: /s/ Lihong Qin

Name: Lihong QIN

Witness: /s/ Shuye Wu

Name: Shuye WU

Accepted by:

**NIO Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

Acknowledged by :

**Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

### Loan Agreement

This Loan Agreement (the “Agreement”) is made and entered into by and between the Parties below as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

- (1) **NIO Co., Ltd.** (the “Lender”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;
- (2) **Bin LI** (the “Borrower”), a citizen of China with Identification No.: \*\*\*\*\*.

In this Agreement, each of the Lender and the Borrower shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

**Whereas:**

1. As of the date hereof, the Borrower holds 80% of equity interests in Shanghai Anbin Technology Co., Ltd. (the “Borrower Company”). All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to as the “Borrower Equity Interest;”
2. The Lender agrees to provide the Borrower with a loan in the aggregate amount of RMB 24,000,000 to be used for the purposes set forth in this Agreement.

After friendly consultation, the Parties agree as follows:

**1 Loan**

- 1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to provide to the Borrower a loan in the aggregate amount of RMB 24,000,000 (the “Loan”). Once the Lender receives a notice from the Borrower requesting the provision of all or any part of the Loan during the term of this Agreement, the Lender shall within one (1) month after receiving such notice provide that portion of Loan to the Borrower. The term of the Loan shall be the term of this Agreement. During the term of the Loan, upon occurrence of any of the following circumstances, the term of the Loan shall accelerate and the Borrower shall immediately repay the full amount of the Loan (and any interest thereon):
  - 1.1.1 Thirty (30) days elapsed after the Borrower receives a written notice from the Lender requesting repayment of the Loan (and all interest thereon);
  - 1.1.2 The Borrower’s death, lack, or limitation of civil capacity;

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- 1.1.3 The Borrower ceases (for any reason) to be a shareholder of the Borrower Company or its affiliates, and the Borrower is not an employee of the Lender, the Borrower Company or their affiliates;
  - 1.1.4 The Borrower engages in criminal act or is involved in criminal activities;
  - 1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principal business that is currently conducted by the Borrower Company in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, the competent government authorities of China begin to approve such investments, and the Lender elects to exercise the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement; or the Lender or the Borrower Company has violated or committed a breach of its representations, warranties, covenants or other obligations under the Exclusive Option Agreement;
  - 1.1.6 The Borrower Company failed to obtain or renew any governmental approval or license necessary for the operation of its core business.
- 1.2 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and undertakes to use the Loan solely for the contribution of the registered capital of the Borrower Company, or for the working capital of the Borrower Company. Without the Lender's prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
  - 1.3 The Lender and the Borrower hereby agree and confirm that the Borrower shall repay the Loan only through the following means (or other means approved by the Lender): by transferring the Borrower Equity Interest in whole to the Lender or the Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan (principal and any interest thereon) to the Lender or the Lender's designated persons, in accordance with this Agreement and in the manner designated by the Lender.
  - 1.4 The Lender and the Borrower hereby agree and confirm that to the extent permitted by the applicable laws, the Lender shall have the right (but not the obligation) to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.
  - 1.5 The Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes the Lender or a legal or natural person designated by the Lender to exercise all of the Borrower's rights as a shareholder of the Borrower Company.

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- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender's designated person(s) in accordance with the Exclusive Option Agreement, (1) in the event that the transfer price of such Borrower Equity Interest equals to or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be an interest-free loan, (2) in the event that the transfer price of such Borrower Equity Interest exceeds the actual principal amount of the Loan under this Agreement, the excess over the actual principal amount shall be the interest of the Loan under this Agreement to the extent not prohibited by the PRC laws, and all of such interest shall be repaid by the Borrower to the Lender or otherwise paid by the Borrower to the Lender's designated person(s) through legal means within ten (10) days after receiving the transfer price.

## **2 Representations and Warranties**

- 2.1 Between the date of this Agreement and the date of termination of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and legally existing in accordance with the laws of China;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement do not violate the Lender's articles of association or other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations enforceable in accordance with its terms.
- 2.2 Between the date of this Agreement and the date of termination of this Agreement, the Borrower hereby makes the following representations and warranties:
- 2.2.1 The Borrower has the legal capacity to execute and perform this Agreement. The Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.2 This Agreement constitutes the Borrower's legal, valid, and binding obligations enforceable in accordance with its terms; and
  - 2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

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**3 Borrower's Covenants**

- 3.1 As and when he/she becomes, and for so long as he/she remains a shareholder of the Borrower Company, the Borrower irrevocably covenants that during the term of this Agreement, the Borrower shall ensure the Borrower Company:
- 3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement (the "Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement.
  - 3.1.2 at the request of the Lender (or a party designated by the Lender), to execute the contracts/agreements on business cooperation with the Lender (or a party designated by the Lender), and to strictly abide by such contracts/agreements;
  - 3.1.3 to provide the Lender with all of the information on the Borrower Company's business operations and financial condition at the Lender's request;
  - 3.1.4 to immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Company's assets, business, or income;
  - 3.1.5 at the request of the Lender, to appoint any persons designated by the Lender as the director or the executive director of the Borrower Company;
- 3.2 :the Borrower covenants that during the term of this Agreement, he/she shall:
- 3.2.1 endeavor to keep the Borrower Company to be engaged in its principle business and to keep the specific business scope of its business license;
  - 3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement (the "Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his/her obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;



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- 3.2.3 without the prior written consent of the Lender, not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except in accordance with the Equity Interest Pledge Agreement, the Exclusive Option Agreement and the Power of Attorney;
  - 3.2.4 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to the Lender or the Lender's designated person;
  - 3.2.5 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of the Lender;
  - 3.2.6 immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Borrower Company's assets, business or revenue or relating to the Borrower Equity Interest;
  - 3.2.7 to the extent necessary to maintain his/her ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;
  - 3.2.8 without the prior written consent of the Lender, not cause the Borrower Company to sell, transfer, mortgage or dispose of in any manner any material assets of the Borrower Company or legal or beneficial interest in the material business or revenues of the Borrower Company, or allow the encumbrance thereon of any security interest, and refrain from any action/omission that may have a material impact on the assets, business and liabilities of the Borrower Company;
  - 3.2.9 appoint any designee of the Lender as the director or the executive director of the Borrower Company, at the request of the Lender;
  - 3.2.10 to the extent permitted by the laws of China, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the Lender's designated representative(s) at any time, and ensure the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

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- 3.2.11 to the extent permitted by the laws of China, at the request of the Lender at any time, ensure that the other shareholders of the Borrower Company shall promptly and unconditionally transfer all of their equity interests in the Borrower Company to the Lender or the Lender's designated representative(s) at any time, and the Borrower hereby waives his/her right of first refusal (if any) with respect to the equity transfer by such other shareholders described in this Section;
- 3.2.12 in the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan (and any interest thereon) to the Lender; and
- 3.2.13 without the prior written consent of the Lender, not cause the Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decrease its registered capital or change its share capital structure in any manner.

**4 Liability for Default**

- 4.1 If the Borrower materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Borrower. The Lender is entitled to require the Borrower to rectify or take remedial measures. If the Borrower fails to rectify or take remedial measures within ten (10) days after the Lender delivers a written notice to the Borrower and requires for rectification (or within any other reasonable period required by the Lender), the Lender is entitled to, at its sole discretion, (1) terminate this Agreement and require the Borrower to compensate all the losses; or (2) require specific performance of the obligations of the Borrower under this Agreement and require the Borrower to compensate all the losses. This Section shall not prejudice any other rights of the Lender under this Agreement
- 4.2 Unless otherwise required by the applicable laws, the Borrower shall not terminate this Agreement unilaterally in any event. Unless otherwise expressly set forth in this Agreement or requested by the Lender in writing, the Borrower shall not, in any event, repay the principal of the Loan or any interest thereon before the termination of the term of the Loan.
- 4.3 In the event that the Borrower fails to perform the repayment obligations set forth in this Agreement, the Borrower shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day the Borrower repays the full principal of the Loan (and any interest thereon), overdue interests and other payable amounts.

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**5** **Notices**

- 5.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 5.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below
- 5.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 5.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 5.2 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms of this Section.

**6** **Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

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**7 Governing Law and Resolution of Disputes**

- 7.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.
- 7.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.
- 7.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**8 Miscellaneous**

- 8.1 This Agreement shall become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.
- 8.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.
- 8.3 In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.4 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

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- 8.5 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.5 shall survive the termination of this Agreement.
- 8.6 This Agreement shall be written in English language in two copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date first above written.

**Lender: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Borrower: Bin LI**

By: /s/ Bin Li

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## Loan Agreement

This Loan Agreement (the “Agreement”) is made and entered into by and between the Parties below as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

- (1) **NIO Co., Ltd.** (the “Lender”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;
- (2) **Lihong QIN** (the “Borrower”), a citizen of China with Identification No.: \*\*\*\*\*.

In this Agreement, each of the Lender and the Borrower shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

### Whereas:

1. As of the date hereof, the Borrower holds 20% of equity interests in Shanghai Anbin Technology Co., Ltd. (the “Borrower Company”). All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to as the “Borrower Equity Interest;”
2. The Lender agrees to provide the Borrower with a loan in the aggregate amount of RMB 6,000,000 to be used for the purposes set forth in this Agreement.

After friendly consultation, the Parties agree as follows:

### 1 Loan

- 1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to provide to the Borrower a loan in the aggregate amount of RMB 6,000,000 (the “Loan”). Once the Lender receives a notice from the Borrower requesting the provision of all or any part of the Loan during the term of this Agreement, the Lender shall within one (1) month after receiving such notice provide that portion of Loan to the Borrower. The term of the Loan shall be the term of this Agreement. During the term of the Loan, upon occurrence of any of the following circumstances, the term of the Loan shall accelerate and the Borrower shall immediately repay the full amount of the Loan (and any interest thereon):
  - 1.1.1 Thirty (30) days elapsed after the Borrower receives a written notice from the Lender requesting repayment of the Loan (and all interest thereon);
  - 1.1.2 The Borrower’s death, lack, or limitation of civil capacity;

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- 1.1.3 The Borrower ceases (for any reason) to be a shareholder of the Borrower Company or its affiliates, and the Borrower is not an employee of the Lender, the Borrower Company or their affiliates;
  - 1.1.4 The Borrower engages in criminal act or is involved in criminal activities;
  - 1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principal business that is currently conducted by the Borrower Company in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, the competent government authorities of China begin to approve such investments, and the Lender elects to exercise the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement; or the Lender or the Borrower Company has violated or committed a breach of its representations, warranties, covenants or other obligations under the Exclusive Option Agreement;
  - 1.1.6 The Borrower Company failed to obtain or renew any governmental approval or license necessary for the operation of its core business.
- 1.2 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and undertakes to use the Loan solely for the contribution of the registered capital of the Borrower Company, or for the working capital of the Borrower Company. Without the Lender's prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
  - 1.3 The Lender and the Borrower hereby agree and confirm that the Borrower shall repay the Loan only through the following means (or other means approved by the Lender): by transferring the Borrower Equity Interest in whole to the Lender or the Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan (principal and any interest thereon) to the Lender or the Lender's designated persons, in accordance with this Agreement and in the manner designated by the Lender.
  - 1.4 The Lender and the Borrower hereby agree and confirm that to the extent permitted by the applicable laws, the Lender shall have the right (but not the obligation) to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.
  - 1.5 The Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes the Lender or a legal or natural person designated by the Lender to exercise all of the Borrower's rights as a shareholder of the Borrower Company.



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- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender's designated person(s) in accordance with the Exclusive Option Agreement, (1) in the event that the transfer price of such Borrower Equity Interest equals to or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be an interest-free loan, (2) in the event that the transfer price of such Borrower Equity Interest exceeds the actual principal amount of the Loan under this Agreement, the excess over the actual principal amount shall be the interest of the Loan under this Agreement to the extent not prohibited by the PRC laws, and all of such interest shall be repaid by the Borrower to the Lender or otherwise paid by the Borrower to the Lender's designated person(s) through legal means within ten (10) days after receiving the transfer price.

## **2 Representations and Warranties**

- 2.1 Between the date of this Agreement and the date of termination of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and legally existing in accordance with the laws of China;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement do not violate the Lender's articles of association or other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations enforceable in accordance with its terms.
- 2.2 Between the date of this Agreement and the date of termination of this Agreement, the Borrower hereby makes the following representations and warranties:
- 2.2.1 The Borrower has the legal capacity to execute and perform this Agreement. The Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.2 This Agreement constitutes the Borrower's legal, valid, and binding obligations enforceable in accordance with its terms; and
  - 2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

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**3 Borrower's Covenants**

- 3.1 As and when he/she becomes, and for so long as he/she remains a shareholder of the Borrower Company, the Borrower irrevocably covenants that during the term of this Agreement, the Borrower shall ensure the Borrower Company:
- 3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement (the "Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement.
  - 3.1.2 at the request of the Lender (or a party designated by the Lender), to execute the contracts/agreements on business cooperation with the Lender (or a party designated by the Lender), and to strictly abide by such contracts/agreements;
  - 3.1.3 to provide the Lender with all of the information on the Borrower Company's business operations and financial condition at the Lender's request;
  - 3.1.4 to immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Company's assets, business, or income;
  - 3.1.5 at the request of the Lender, to appoint any persons designated by the Lender as the director or the executive director of the Borrower Company;
- 3.2 the Borrower covenants that during the term of this Agreement, he/she shall:
- 3.2.1 endeavor to keep the Borrower Company to be engaged in its principle business and to keep the specific business scope of its business license;
  - 3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement (the "Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his/her obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

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- 3.2.3 without the prior written consent of the Lender, not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except in accordance with the Equity Interest Pledge Agreement, the Exclusive Option Agreement and the Power of Attorney;
- 3.2.4 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to the Lender or the Lender's designated person;
- 3.2.5 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of the Lender;
- 3.2.6 immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Borrower Company's assets, business or revenue or relating to the Borrower Equity Interest;
- 3.2.7 to the extent necessary to maintain his/her ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;
- 3.2.8 without the prior written consent of the Lender, not cause the Borrower Company to sell, transfer, mortgage or dispose of in any manner any material assets of the Borrower Company or legal or beneficial interest in the material business or revenues of the Borrower Company, or allow the encumbrance thereon of any security interest, and refrain from any action/omission that may have a material impact on the assets, business and liabilities of the Borrower Company;
- 3.2.9 appoint any designee of the Lender as the director or the executive director of the Borrower Company, at the request of the Lender;
- 3.2.10 to the extent permitted by the laws of China, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the Lender's designated representative(s) at any time, and ensure the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

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- 3.2.11 to the extent permitted by the laws of China, at the request of the Lender at any time, ensure that the other shareholders of the Borrower Company shall promptly and unconditionally transfer all of their equity interests in the Borrower Company to the Lender or the Lender's designated representative(s) at any time, and the Borrower hereby waives his/her right of first refusal (if any) with respect to the equity transfer by such other shareholders described in this Section;
- 3.2.12 in the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan (and any interest thereon) to the Lender; and
- 3.2.13 without the prior written consent of the Lender, not cause the Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decrease its registered capital or change its share capital structure in any manner.

**4 Liability for Default**

- 4.1 If the Borrower materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Borrower. The Lender is entitled to require the Borrower to rectify or take remedial measures. If the Borrower fails to rectify or take remedial measures within ten (10) days after the Lender delivers a written notice to the Borrower and requires for rectification (or within any other reasonable period required by the Lender), the Lender is entitled to, at its sole discretion, (1) terminate this Agreement and require the Borrower to compensate all the losses; or (2) require specific performance of the obligations of the Borrower under this Agreement and require the Borrower to compensate all the losses. This Section shall not prejudice any other rights of the Lender under this Agreement
- 4.2 Unless otherwise required by the applicable laws, the Borrower shall not terminate this Agreement unilaterally in any event. Unless otherwise expressly set forth in this Agreement or requested by the Lender in writing, the Borrower shall not, in any event, repay the principal of the Loan or any interest thereon before the termination of the term of the Loan.
- 4.3 In the event that the Borrower fails to perform the repayment obligations set forth in this Agreement, the Borrower shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day the Borrower repays the full principal of the Loan (and any interest thereon), overdue interests and other payable amounts.

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**5**   **Notices**

- 5.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 5.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below
- 5.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 5.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 5.2 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms of this Section.

**6**   **Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

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**7 Governing Law and Resolution of Disputes**

- 7.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.
- 7.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.
- 7.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**8 Miscellaneous**

- 8.1 This Agreement shall become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.
- 8.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.
- 8.3 In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.4 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

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- 8.5 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.5 shall survive the termination of this Agreement.
- 8.6 This Agreement shall be written in English language in two copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date first above written.

**Lender: NIO Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

**Borrower: Lihong QIN**

By: /s/ Lihong Qin



### Equity Interest Pledge Agreement

This Exclusive Interest Pledge Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

- Party A:** **NIO Co., Ltd.** (hereinafter the “Pledgee”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;
- Party B:** **Bin LI** (hereinafter the “Pledgor”), a Chinese citizen with Identification No.: \*\*\*\*\*;
- Party C:** **Shanghai Anbin Technology Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its registered address at Room J1289, Floor 4, No.5358, Huyi Road, Jiading District, Shanghai.

In this Agreement, each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. The Pledgor is a citizen of China who as of the date hereof holds 80% of the equity interests of Party C, representing RMB 24,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Shanghai, China. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
2. The Pledgee is a wholly foreign-owned enterprise registered in China. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, the Pledgee and the Pledgor have executed an Exclusive Option Agreement (as defined below); the Pledgor has executed a Power of Attorney (as defined below) in favor of the Pledgee; and the Pledgee and the Pledgor have executed a Loan Agreement (as defined below) as defined below;
3. To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for Party C’s and the Pledgor’s obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

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## 1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest.
- 1.2 Equity Interest: shall refer to 80% equity interests in Party C currently held by the Pledgor, representing RMB24,000,000 in the registered capital of Party C, and all of the equity interest hereafter legally acquired by the Pledgor in Party C.
- 1.3 Term of the Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on April 19, 2018, (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, the Pledgee and the Pledgor on April 19, 2018, (the "Exclusive Option Agreement"), the Loan Agreement executed by and between the Pledgee and the Pledgor on April 19, 2018, (the "Loan Agreement"), Power of Attorney executed on April 19, 2018, by the Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contract Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default on the part of the Pledgor and/or Party C under the Transaction Documents. The amount of such losses shall be calculated based on such factors as the reasonable business plan and profit forecast of the Pledgee, the consulting and service fees payable to the Pledgee under the Exclusive Business Cooperation Agreement, damages and relevant fees under the Transaction Documents, all expenses occurred by the Pledgee in connection with enforcement of the Pledgor's and/or Party C's Contract Obligations and etc.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

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1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

**2. Pledge**

- 2.1 The Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that the Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the term of the Pledge, unless prohibited by the applicable laws and regulations, the Pledgee is entitled to receive dividends distributed on the Equity Interest. Without the prior written consent of the Pledgee, the Pledgor shall not receive dividends distributed on the Equity Interest. Dividends received by the Pledgor on Equity Interest after the deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to making any other payment; or (2) to the extent not prohibited by the applicable PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 2.3 The Pledgor may subscribe for a capital increase in Party C only with prior written consent of the Pledgee. Any additional equity interest obtained by the Pledgor as a result of the Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest, and the Parties shall enter into further equity pledge agreement for this purpose and complete registration of the pledge of such additional equity interest.
- 2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to the Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) to the extent not prohibited by PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the applicable PRC laws.

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### **3. Term of the Pledge**

- 3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with the relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness has been fully paid. The Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the relevant PRC laws and regulations and the competent AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.
- 3.2 During the Term of the Pledge, in the event the Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

### **4. Custody of Records for Equity Interest subject to the Pledge**

- 4.1 During the Term of the Pledge set forth in this Agreement, the Pledgor shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of the Pledge set forth in this Agreement.

### **5. Representations and Warranties of the Pledgor and Party C**

As of the execution date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee that:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Equity Interest. The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.
- 5.2 Each of the Pledgor and Party C has the power, capacity and authority to execute and deliver this Agreement, and to perform it/his obligations under this Agreement. This Agreement constitutes the Pledgor's and Party C's legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof.
- 5.3 Except for the Pledge, the Pledgor has not placed any security interest or other encumbrance on the Equity Interest.
- 5.4 The Pledgor and Party C have obtained any and all approvals and consents from the applicable government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.

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- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or document to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

**6. Covenants of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee:
- 6.1.1 The Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of the Pledgee, except for the performance of the Transaction Documents; Party C shall not assent to or assist in the aforesaid behaviors;
  - 6.1.2 The Pledgor and Party C shall comply with and carry out all requirements under applicable laws and regulations relating to pledge, and within five (5) days of receipt of any notice, order or recommendation issued or made by the competent authorities regarding the Pledge (if any), shall present the aforementioned notice, order or recommendation to the Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon the Pledgee's reasonable request or upon consent of the Pledgee;
  - 6.1.3 Each of the Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it that may have an impact on the Equity Interest (or any portion thereof,) as well as any event or notice received by it that may have an impact on any guarantees and obligations of the Pledgor under this Agreement or the performance of obligations of the Pledgor under this Agreement;
  - 6.1.4 Party C shall complete the registration procedures for the extension of the operation term within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.
- 6.2 The Pledgor agrees that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by the Pledgor or any, successors, heirs or representatives of the Pledgor or any other persons through any legal proceedings.

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- 6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, the Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by the Pledgee. The Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or designee(s) of the Pledgee (natural persons/legal persons). The Pledgor undertakes to provide the Pledgee within a reasonable time with all notices, the orders and decisions regarding the Pledge that are required by the Pledgee.
- 6.4 The Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, the Pledgor shall indemnify the Pledgee for all losses resulting therefrom.

## **7. Event of Breach**

- 7.1 The following circumstances shall be deemed an Event of Default:
- 7.1.1 The Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing accordingly.
- 7.3 Unless an Event of Default set forth in Section 7.1 has been successfully resolved to the Pledgee's satisfaction within twenty (20) days after the Pledgee and/or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, the Pledgee may issue a Notice of Default to the Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

## **8. Exercise of the Pledge**

- 8.1 The Pledgee shall issue a written Notice of Default to the Pledgor when it exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1.

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- 8.3 After the Pledgee issues a Notice of Default to the Pledgor in accordance with Section 8.1, the Pledgee may exercise any remedy measure under the applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.
- 8.4 The proceeds from the exercise of the Pledge by the Pledgee shall be used to pay for the taxes and expenses incurred as a result of disposing the Equity Interest and to perform the Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to the Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where the Pledgor resides, with all expenses incurred being borne by the Pledgor. To the extent not prohibited by the applicable PRC laws, the Pledgor shall unconditionally donate the aforementioned proceeds to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 8.5 The Pledgee may exercise any remedy measure available to it simultaneously or in any order. The Pledgee may exercise the priority right in compensation based on the monetary valuation that such Equity Interest is converted into or with the proceeds from the auction or sale of the Equity Interest under this Agreement, without being required to exercise any other remedy measure first.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide the necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9. Breach of Agreement**

- 9.1 If the Pledgor or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Pledgor or Party C (as the case may be). The Pledgee is entitled to require the Pledgor or Party C to rectify or take remedial measures. If within ten (10) days after the Pledgee delivers a written notice to the Pledgor or Party C and requires for rectification (or within any other reasonable period required by the Pledgee), the Pledgor or Party C (as the case may be) fails to rectify or take remedial measures, the Pledgee is entitled to, at its sole discretion, (1) terminate this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of the Pledgor or Party C (as the case may be) under this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of the Pledgee under this Agreement.

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- 9.2 The Pledgor or Party C shall not have any right to terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

## **10. Assignment**

- 10.1 Without the Pledgee's prior written consent, neither the Pledgor nor Party C shall assign or delegate its/his rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and his/her successors, heirs (including who inherited the Equity Interest) and permitted assigns, and shall be valid with respect to the Pledgee and each of his/her successors, heirs and permitted assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assignees shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.
- 10.4 In the event of change of the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent AIC.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by the Pledgor except in accordance with the written instructions of the Pledgee.

## **11. Termination**

- 11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor in de-registering the Pledge from the shareholders' register of Party C and with the competent PRC local administration for industry and commerce.



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11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

**12. Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

**13. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**14. Governing Law and Resolution of Disputes**

14.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

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14.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**15. Severability**

In the event that one or several of the provisions of this Contract are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**16. Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

**17. Effectiveness and Amendments**

17.1 This Agreement shall become effective upon execution by the Parties, until the Contract Obligations have been fully performed and the Secured Indebtedness have been fully paid.

17.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**18. Language and Counterparts**

This Agreement is written in English in four copies. The Pledgor, the Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration.

*The Remainder of this page is intentionally left blank*

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

**Pledgee: NIO Co., Ltd.**

签字：

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

**Pledgor: Bin LI**

签字：

By: /s/ Bin Li

**Party C: Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C;
3. Exclusive Business Cooperation Agreement;
4. Exclusive Option Agreement;
5. Loan Agreement
6. Power of Attorney.

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## Equity Interest Pledge Agreement

This Exclusive Interest Pledge Agreement (this “Agreement”) is executed by and among the following Parties as of April 2018 Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.** (hereinafter the “Pledgee”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;

**Party B: Lihong QIN** (hereinafter the “Pledgor”), a Chinese citizen with Identification No.: \*\*\*\*\*;

**Party C: Shanghai Anbin Technology Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its registered address at Room J1289, Floor 4, No.5358, Huyi Road, Jiading District, Shanghai.

In this Agreement, each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. The Pledgor is a citizen of China who as of the date hereof holds 20% of the equity interests of Party C, representing RMB 6,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Shanghai, China. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
2. The Pledgee is a wholly foreign-owned enterprise registered in China. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, the Pledgee and the Pledgor have executed an Exclusive Option Agreement (as defined below); the Pledgor has executed a Power of Attorney (as defined below) in favor of the Pledgee; and the Pledgee and the Pledgor have executed a Loan Agreement (as defined below) as defined below;
3. To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Load Agreement and the Power of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for Party C’s and the Pledgor’s obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

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## 1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest.
- 1.2 Equity Interest: shall refer to 20% equity interests in Party C currently held by the Pledgor, representing RMB 6,000,000 in the registered capital of Party C, and all of the equity interest hereafter legally acquired by the Pledgor in Party C.
- 1.3 Term of the Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on April 19, 2018, (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, the Pledgee and the Pledgor on April 19, 2018, (the "Exclusive Option Agreement"), the Loan Agreement executed by and between the Pledgee and the Pledgor on April 19, 2018, (the "Loan Agreement"), Power of Attorney executed on April 19, 2018, by the Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contract Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default on the part of the Pledgor and/or Party C under the Transaction Documents. The amount of such losses shall be calculated based on such factors as the reasonable business plan and profit forecast of the Pledgee, the consulting and service fees payable to the Pledgee under the Exclusive Business Cooperation Agreement, damages and relevant fees under the Transaction Documents, all expenses occurred by the Pledgee in connection with enforcement of the Pledgor's and/or Party C's Contract Obligations and etc.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

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1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## **2. Pledge**

- 2.1 The Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that the Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the term of the Pledge, unless prohibited by the applicable laws and regulations, the Pledgee is entitled to receive dividends distributed on the Equity Interest. Without the prior written consent of the Pledgee, the Pledgor shall not receive dividends distributed on the Equity Interest. Dividends received by the Pledgor on Equity Interest after the deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to making any other payment; or (2) to the extent not prohibited by the applicable PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 2.3 The Pledgor may subscribe for a capital increase in Party C only with prior written consent of the Pledgee. Any additional equity interest obtained by the Pledgor as a result of the Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest, and the Parties shall enter into further equity pledge agreement for this purpose and complete registration of the pledge of such additional equity interest.
- 2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to the Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) to the extent not prohibited by PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the applicable PRC laws.

## **3. Term of the Pledge**

- 3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with the relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness has been fully paid. The Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the relevant PRC laws and regulations and the competent AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

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- 3.2 During the Term of the Pledge, in the event the Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

**4. Custody of Records for Equity Interest subject to the Pledge**

- 4.1 During the Term of the Pledge set forth in this Agreement, the Pledgor shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of the Pledge set forth in this Agreement.

**5. Representations and Warranties of the Pledgor and Party C**

As of the execution date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee that:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Equity Interest. The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.
- 5.2 Each of the Pledgor and Party C has the power, capacity and authority to execute and deliver this Agreement, and to perform it/his obligations under this Agreement. This Agreement constitutes the Pledgor's and Party C's legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof.
- 5.3 Except for the Pledge, the Pledgor has not placed any security interest or other encumbrance on the Equity Interest.
- 5.4 The Pledgor and Party C have obtained any and all approvals and consents from the applicable government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.



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- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or document to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

**6. Covenants of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee:
- 6.1.1 The Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of the Pledgee, except for the performance of the Transaction Documents; Party C shall not assent to or assist in the aforesaid behaviors;
  - 6.1.2 The Pledgor and Party C shall comply with and carry out all requirements under applicable laws and regulations relating to pledge, and within five (5) days of receipt of any notice, order or recommendation issued or made by the competent authorities regarding the Pledge (if any), shall present the aforementioned notice, order or recommendation to the Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon the Pledgee's reasonable request or upon consent of the Pledgee;
  - 6.1.3 Each of the Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it that may have an impact on the Equity Interest (or any portion thereof,) as well as any event or notice received by it that may have an impact on any guarantees and obligations of the Pledgor under this Agreement or the performance of obligations of the Pledgor under this Agreement;
  - 6.1.4 Party C shall complete the registration procedures for the extension of the operation term within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.
- 6.2 The Pledgor agrees that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by the Pledgor or any, successors, heirs or representatives of the Pledgor or any other persons through any legal proceedings.

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- 6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, the Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by the Pledgee. The Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or designee(s) of the Pledgee (natural persons/legal persons). The Pledgor undertakes to provide the Pledgee within a reasonable time with all notices, the orders and decisions regarding the Pledge that are required by the Pledgee.
- 6.4 The Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, the Pledgor shall indemnify the Pledgee for all losses resulting therefrom.

## **7. Event of Breach**

- 7.1 The following circumstances shall be deemed an Event of Default:
- 7.1.1 The Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing accordingly.
- 7.3 Unless an Event of Default set forth in Section 7.1 has been successfully resolved to the Pledgee's satisfaction within twenty (20) days after the Pledgee and/or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, the Pledgee may issue a Notice of Default to the Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

## **8. Exercise of the Pledge**

- 8.1 The Pledgee shall issue a written Notice of Default to the Pledgor when it exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1.

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- 8.3 After the Pledgee issues a Notice of Default to the Pledgor in accordance with Section 8.1, the Pledgee may exercise any remedy measure under the applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.
- 8.4 The proceeds from the exercise of the Pledge by the Pledgee shall be used to pay for the taxes and expenses incurred as a result of disposing the Equity Interest and to perform the Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to the Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where the Pledgor resides, with all expenses incurred being borne by the Pledgor. To the extent not prohibited by the applicable PRC laws, the Pledgor shall unconditionally donate the aforementioned proceeds to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 8.5 The Pledgee may exercise any remedy measure available to it simultaneously or in any order. The Pledgee may exercise the priority right in compensation based on the monetary valuation that such Equity Interest is converted into or with the proceeds from the auction or sale of the Equity Interest under this Agreement, without being required to exercise any other remedy measure first.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide the necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9. Breach of Agreement**

- 9.1 If the Pledgor or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Pledgor or Party C (as the case may be). The Pledgee is entitled to require the Pledgor or Party C to rectify or take remedial measures. If within ten (10) days after the Pledgee delivers a written notice to the Pledgor or Party C and requires for rectification (or within any other reasonable period required by the Pledgee), the Pledgor or Party C (as the case may be) fails to rectify or take remedial measures, the Pledgee is entitled to, at its sole discretion, (1) terminate this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of the Pledgor or Party C (as the case may be) under this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of the Pledgee under this Agreement.

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- 9.2 The Pledgor or Party C shall not have any right to terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

## **10. Assignment**

- 10.1 Without the Pledgee's prior written consent, neither the Pledgor nor Party C shall assign or delegate its/his rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and his/her successors, heirs (including who inherited the Equity Interest) and permitted assigns, and shall be valid with respect to the Pledgee and each of his/her successors, heirs and permitted assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assignees shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.
- 10.4 In the event of change of the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent AIC.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by the Pledgor except in accordance with the written instructions of the Pledgee.

## **11. Termination**

- 11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor in de-registering the Pledge from the shareholders' register of Party C and with the competent PRC local administration for industry and commerce.

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11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

**12. Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

**13. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**14. Governing Law and Resolution of Disputes**

14.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

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14.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**15. Severability**

In the event that one or several of the provisions of this Contract are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**16. Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

**17. Effectiveness and Amendments**

17.1 This Agreement shall become effective upon execution by the Parties, until the Contract Obligations have been fully performed and the Secured Indebtedness have been fully paid.

17.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**18. Language and Counterparts**

This Agreement is written in English in four copies. The Pledgor, the Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration.

*The Remainder of this page is intentionally left blank*

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

**Pledgee: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Pledgor: Lihong QIN**

By: /s/ Lihong Qin

**Party C: Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C;
3. Exclusive Business Cooperation Agreement;
4. Exclusive Option Agreement;
5. Loan Agreement
6. Power of Attorney.



### Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this “Agreement”) is made and entered into by and between the following parties on April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”).

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Shanghai Anbin Technology Co., Ltd.**

Address: Room J1289, Floor 4, No.5358, Huyi Road, Jiading District, Shanghai

In this Agreement, each of Party A and Party B shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise established in China, and has sufficient capacity, experience and resources for the R&D of new energy automobiles and related components and for providing technical development, technical services and consultation in relation to new energy automobile and related components ;
2. Party B is a company established in China with exclusive domestic capital and as registered with the relevant PRC government authorities, is permitted to engage in technical services and consultation in respect of automobiles and related components. The businesses conducted by Party B currently and at any time during the term of this Agreement are collectively referred to as the “Principal Business”;
3. Party A is willing to provide Party B with technical development, technical support, management consultation and other related services on an exclusive basis in relation to the Principal Business during the term of this Agreement, utilizing its advantages in technology, team, and resources, and Party B is willing to accept such services provided by Party A or Party A’s designee(s), each on the terms set forth herein.

Now, therefore, through mutual discussion, the Parties have reached the following agreements:

**1. Services Provided by Party A**

- 1.1 Party B hereby appoints Party A as Party B’s exclusive services provider to provide Party B with comprehensive technical support, consulting services and other related services during the term of this Agreement, in accordance with the terms and conditions of this Agreement, including but not limited to the following:
  - (1) Licensing Party B to use the technology and software legally owned by Party A in relation to the Principal Business;

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- (2) Design, development, maintenance and updating of technologies necessary for Party B's Principal Business, and provision of related technical consultation and technical services;
  - (3) Design, installation, daily management, maintenance and updating of related database;
  - (4) Technical support and training for employees of Party B;
  - (5) Assisting Party B in collection and research of technology and market information (excluding market research business that wholly foreign-owned enterprises are restricted from conducting under PRC law);
  - (6) Providing business and management consultation for Party B;
  - (7) Providing marketing and promotional services for Party B;
  - (8) Development and testing of new products;
  - (9) Leasing of equipments or properties; and
  - (10) Other related services requested by Party B from time to time to the extent permitted under PRC law.
- 1.2 Party B agrees to accept all the services provided by Party A. The Parties agree that Party A may appoint or designate its affiliates or other qualified parties to provide Party B with the services under this Agreement (the parties designated by Party A may enter into certain agreements described in Section 1.3 with Party B). Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish same or similar corporation relationships with any third party regarding the matters contemplated by this Agreement.
- 1.3 Service Providing Methodology
- 1.3.1 Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into further service agreements with Party A or any other party designated by Party A, which shall provide the specific contents, methods, personnel, and fees for the specific services.
  - 1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into equipment or property lease agreements with Party A or any other party designated by Party A which shall permit Party B to use Party A's relevant equipment or property based on the business needs of Party B.

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- 1.3.3 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

## **2. The Calculation and Payment of the Service Fees**

2.1 The fees payable by Party B to Party A during the term of this Agreement shall be calculated as follows:

- 2.1.1 In consideration for the services provided by Party A hereunder, Party B shall pay a service fee to Party A on annual basis (or at any time agreed by the Parties). The service fees for each year (or for any other period agreed by the Parties) shall consist of a management fee and a fee for services provided, which shall be reasonably determined by Party A based on the following factors. Party A may provide separate confirmation letter and/or invoice to Party B to indicate the amount of service fees due for each service period; or the amount of services fees may be as set forth in the relevant contracts separately executed by the Parties.
- (1) Complexity and difficulty of the services provided by Party A;
  - (2) Seniority of and time consumed by the employees of Party A providing the services;
  - (3) Specific contents, scope and value of the services provided by Party A;
  - (4) Market price of the same type of services;
  - (5) Operation conditions of Party B.
- 2.1.2 If Party A transfers or licenses technology to Party B, develops software or other technology as entrusted by Party B, or leases equipments or properties to Party B, the technology transfer price, license price, development fees or rent shall be determined by the Parties separately based on the actual situations and/or set forth in the relevant contracts separately executed by the Parties.

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### **3. Intellectual Property Rights and Confidentiality Clauses**

- 3.1 Party A shall have sole, exclusive and complete ownership, rights and interests in any and all intellectual properties or intangible assets arising out of or created or developed during the performance of this Agreement by both Parties, including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others (to the extent not prohibited by the PRC laws). Unless expressly authorized by Party A, Party B is not entitled to any rights or interests in any intellectual property rights of Party A which are used by Party A in providing the services pursuant to this Agreement. To ensure Party A's rights under this Section, where necessary, Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion, for the purposes of vesting the ownership, right or interest of any such intellectual property rights and intangible assets in Party A, and/or perfecting the protections of any such intellectual property rights and intangible assets for Party A (including registering such intellectual property rights and intangible assets under Party A's name).
- 3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

### **4. Representations and Warranties**

4.1 Party A hereby represents, warrants and covenants as follows:

- 4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing in accordance with the laws of China; Party A or the service providers designated by Party A will obtain all government permits and licenses necessary for providing the service under this Agreement (if required) before providing such services.
- 4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

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4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents, warrants and covenants as follows:

4.2.1. Party B is a company legally established and validly existing in accordance with the laws of China and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.

4.2.2. Party B has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.2.3. This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

## **5. Term of Agreement**

5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof and endeavor to obtain the approval of, and complete registration with, the competent authorities for such renewal, so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by the competent government authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

## **6. Governing Law and Resolution of Disputes**

6.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

6.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

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- 6.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **7. Breach of Agreement and Indemnification**

- 7.1 If Party B materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B. Party A is entitled to require Party B to rectify or take remedial measures. If Party B fails to rectify or take remedial measures within ten (10) days after Party A delivers a written notice to Party B and requires for rectification (or within any other reasonable period required by Party A), Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B to compensate all the losses; or (2) require specific performance of the obligations of Party B under this Agreement and require Party B to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Unless otherwise required by the applicable laws, Party B shall not unilaterally terminate this Agreement in any event.
- 7.3 Party B shall indemnify Party A and hold Party A harmless from any losses, damages, obligations or expenses caused by any lawsuit, claims or other demands raised by any third party against Party A arising from or caused by the services provided by Party A to Party B pursuant to this Agreement, except where such losses, damages, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

## **8. Force Majeure**

- 8.1 In the case of any force majeure events ("Force Majeure") such as earthquakes, typhoons, floods, fires, flu, wars, riots, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which causes the failure of either Party to perform or completely perform this Agreement or perform this Agreement on time, the Party affected by such Force Majeure shall not be liable for this. However, the Party affected by such Force Majeure shall give the other Party written notices without any delay, and shall provide details and related documents evidencing such event within 15 days after sending out such notice, explaining the reasons for such failure of, partial or delay of performance.

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- 8.2 If such Party claiming Force Majeure fails to notify the other Party and furnish it with proof pursuant to the above provision, such Party shall not be excused from the non-performance, incomplete performance or delay of performance of its obligations hereunder. The Party so affected by the event of Force Majeure shall use reasonable efforts to minimize the consequences of such Force Majeure and to promptly resume performance hereunder whenever the causes of such excuse are cured. Should the Party so affected by the event of Force Majeure fail to resume performance hereunder when the causes of such excuse are cured, such Party shall be liable to the other Party.
- 8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

**9. Assignment**

- 9.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.
- 9.2 Party B agrees that unless expressly required by the applicable laws otherwise, Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B and does not need any consent from Party B for such assignment.

**10. Severability**

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**11. Amendments and Supplements**

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

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**12. Successors**

The terms of this Agreement shall be binding on the Parties hereto and their respective successors and permitted assigns, and shall be valid with respect to the Parties and each of their successors and permitted assigns.

**13. Language and Counterparts**

This Agreement is written in English language in two copies, each Party having one copy.



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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: QIN Lihong  
Title: Legal Representative

**Party B: Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: QIN Lihong  
Title: Legal Representative

### Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of April 19, 2018, in Shanghai, the People's Republic of China ("China" or the "PRC"):

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Bin LI** (a Chinese citizen with Identification No.: \*\*\*\*\*)

**Party C: Shanghai Anbin Technology Co., Ltd.**

Address: Room J1289, Floor 4, No. 5358, Huyi Road, Jiading District, Shanghai

In this Agreement, each of Party A, Party B and Party C shall be hereinafter referred to as a "Party" individually, and as the "Parties" collectively.

Whereas:

1. Party B is the shareholder of Party C and as of the date hereof hold 80% of the equity interests of Party C, representing RMB 24,000,000 in the registered capital of Party C.
2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on April 19, 2018, according to which Party A agreed to provide to Party B a loan in the amount of RMB 24,000,000 for the purpose as designated in the Loan Agreement.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

**1. Sale and Purchase of Equity Interest**

**1.1 Option Granted**

Party B hereby irrevocably and unconditionally grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

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## 1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's decision to exercise the Equity Interest Purchase Option, and the name of the Designee(s) if any; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for the transfer of the Optioned Interests.

## 1.3 Equity Interest Purchase Price

### Optioned Interests

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

## 1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the Optioned Interests by Party B to Party A and/or the Designee(s) and waiving any right of first refusal with respect thereto;
- 1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 Party B shall, within thirty (30) days after receipt of the Equity Interest Purchase Option Notice, execute all necessary contracts, agreements or documents with relevant parties, obtain all necessary government approvals and permits, and complete all necessary registrations and filings, so as to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney; "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.; "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modification, amendment and restatement thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

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- 2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
  - 2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;
  - 2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;
  - 2.1.5 They shall always operate all of Party C's businesses within the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may adversely affect Party C's operating status and asset value;
  - 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business;
  - 2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;
  - 2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;
  - 2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
  - 2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;
  - 2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business, revenue or equity interest;

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- 2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
  - 2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
  - 2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.
  - 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and
  - 2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquidated without prior written consent by Party A;
  - 2.1.17 Once PRC laws permits foreign investors to invest in the principal business of Party C in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, and the competent government authorities of China begin to approve such investments, upon Party's exercise of the Equity Interest Purchase Option, Party B shall immediately transfer to Party A or the Designee(s) the equity interest in Party C held by Party B.

2.2 Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;
- 2.2.2 Without the prior written consent of Party A, Party B shall ensure the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;

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- 2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall ensure the shareholders' meeting or the directors (or the executive director) of Party C to vote in favor of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
- 2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;
- 2.2.8 Party B gives consent to the execution by each of the other shareholders of Party C with Party A and Party C of the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, and undertakes not to take any action in conflict with such documents executed by such other shareholders; with respect to the transfer of equity interest of Party C by any of the other shareholders of Party C to Party A and/or the Designee(s) pursuant to such shareholder's exclusive option agreement, Party B hereby waives all of its right of first refusal (if any).
- 2.2.9 If Party received any profit distribution, interest, dividend or proceeds of liquidation from Party C, Party B shall promptly donate all such profit distribution, interest, dividend or proceeds of liquidation to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws; and
- 2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

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### 3. **Representations and Warranties**

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of the transfer of the Optioned Interests, that:

- 3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning each transfer of the Optioned Interests as described thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts substantially consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;
- 3.2 Party B and Party C have obtained any and all approvals and consents from the competent government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.
- 3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
- 3.4 Party B has the legal and complete title to the equity interests held by it in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest or encumbrances on such equity interests;
- 3.5 Party C is a limited liability company duly organized and validly existing under the laws of the PRC. Party C has the legal and complete title to all of the assets used in connection with its business operation, and has not placed any security interest on the aforementioned assets;



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- 3.6 Party C does not have any outstanding debts, except for (i) debt incurred during the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.
- 3.7 Party C has complied with all PRC laws and regulations in material aspects; and
- There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

**4. Effective Date and Term**

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

**5. Governing Law and Resolution of Disputes**

**5.1 Governing Law**

The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of the PRC.

**5.2 Methods of Resolution of Disputes**

In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

**6. Taxes and Fees**

Each Party shall pay any and all transfer and registration taxes, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

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**7. Notices**

- 7.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 7.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below;
- 7.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 7.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 7.2 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms of this Section.

**8. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**9. Further Warranties**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

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**10. Breach of Agreement**

- 10.1 If Party B or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B or Party C (as the case may be). Party A is entitled to require Party B or Party C to rectify or take remedial measures. If within ten (10) days after Party A delivers a written notice to Party B or Party C and requires for rectification (or within any other reasonable period required by Party A), Party B or Party C (as the case may be) fails to rectify or take remedial measures, Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of Party B or Party C (as the case may be) under this Agreement and require Party B or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.
- 10.2 Party B or Party C shall not terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**11. Miscellaneous****11.1 Amendments, changes and supplements**

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**11.2 Entire agreement**

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

**11.3 Headings**

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

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#### 11.4 Severability

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

#### 11.5 Successors

The terms of this Agreement shall be binding on the Parties hereto and their respective successors, heirs (including who inherited the Optioned Interests) and permitted assigns, and shall be valid with respect to the Parties and each of their successors, heirs and permitted assigns.

#### 11.6 Survival

11.6.1 Any obligations that occurred or that are due in connection with this Agreement before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

#### 11.7 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

#### 11.8 Language

This Agreement is written in English language in three copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Party B: LI Bin**

By: /s/ Li Bin

**Party C: Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

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## Exclusive Option Agreement

This Exclusive Option Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Lihong QIN** (a Chinese citizen with Identification No.: \*\*\*\*\*)

**Party C: Shanghai Anbin Technology Co., Ltd.**

Address: Room J1289, Floor 4, No. 5358, Huyi Road, Jiading District, Shanghai

In this Agreement, each of Party A, Party B and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. Party B is the shareholder of Party C and as of the date hereof hold 20% of the equity interests of Party C, representing RMB 6,000,000 in the registered capital of Party C.
2. Party A and Party B executed a Loan Agreement (“Loan Agreement”) on April 19, 2018, according to which Party A agreed to provide to Party B a loan in the amount of RMB 6,000,000 for the purpose as designated in the Loan Agreement.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

**1. Sale and Purchase of Equity Interest**

**1.1 Option Granted**

Party B hereby irrevocably and unconditionally grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a “Designee”) to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A’s sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the “Equity Interest Purchase Option”). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term “person” as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

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## 1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's decision to exercise the Equity Interest Purchase Option, and the name of the Designee(s) if any; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for the transfer of the Optioned Interests.

## 1.3 Equity Interest Purchase Price

### Optioned Interests

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

## 1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the Optioned Interests by Party B to Party A and/or the Designee(s) and waiving any right of first refusal with respect thereto;
- 1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 Party B shall, within thirty (30) days after receipt of the Equity Interest Purchase Option Notice, execute all necessary contracts, agreements or documents with relevant parties, obtain all necessary government approvals and permits, and complete all necessary registrations and filings, so as to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney; "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.; "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modification, amendment and restatement thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:



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- 2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
  - 2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
  - 2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;
  - 2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;
  - 2.1.5 They shall always operate all of Party C's businesses within the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may adversely affect Party C's operating status and asset value;
  - 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business;
  - 2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;
  - 2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;
  - 2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
  - 2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;
  - 2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business, revenue or equity interest;

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- 2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
  - 2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
  - 2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.
  - 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and
  - 2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquidated without prior written consent by Party A;
  - 2.1.17 Once PRC laws permits foreign investors to invest in the principal business of Party C in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, and the competent government authorities of China begin to approve such investments, upon Party's exercise of the Equity Interest Purchase Option, Party B shall immediately transfer to Party A or the Designee(s) the equity interest in Party C held by Party B.

2.2 Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;
- 2.2.2 Without the prior written consent of Party A, Party B shall ensure the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;

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- 2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall ensure the shareholders' meeting or the directors (or the executive director) of Party C to vote in favor of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
- 2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;
- 2.2.8 Party B gives consent to the execution by each of the other shareholders of Party C with Party A and Party C of the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, and undertakes not to take any action in conflict with such documents executed by such other shareholders; with respect to the transfer of equity interest of Party C by any of the other shareholders of Party C to Party A and/or the Designee(s) pursuant to such shareholder's exclusive option agreement, Party B hereby waives all of its right of first refusal (if any).
- 2.2.9 If Party received any profit distribution, interest, dividend or proceeds of liquidation from Party C, Party B shall promptly donate all such profit distribution, interest, dividend or proceeds of liquidation to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws; and
- 2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

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### 3. **Representations and Warranties**

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of the transfer of the Optioned Interests, that:

- 3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning each transfer of the Optioned Interests as described thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts substantially consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;
- 3.2 Party B and Party C have obtained any and all approvals and consents from the competent government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.
- 3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
- 3.4 Party B has the legal and complete title to the equity interests held by it in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest or encumbrances on such equity interests;
- 3.5 Party C is a limited liability company duly organized and validly existing under the laws of the PRC. Party C has the legal and complete title to all of the assets used in connection with its business operation, and has not placed any security interest on the aforementioned assets;

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- 3.6 Party C does not have any outstanding debts, except for (i) debt incurred during the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.
- 3.7 Party C has complied with all PRC laws and regulations in material aspects; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

**4. Effective Date and Term**

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

**5. Governing Law and Resolution of Disputes**

**5.1 Governing Law**

The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of the PRC.

**5.2 Methods of Resolution of Disputes**

In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

**6. Taxes and Fees**

Each Party shall pay any and all transfer and registration taxes, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

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**7. Notices**

- 7.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 7.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below;
- 7.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 7.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 7.2 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms of this Section.

**8. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**9. Further Warranties**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

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**10. Breach of Agreement**

- 10.1 If Party B or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B or Party C (as the case may be). Party A is entitled to require Party B or Party C to rectify or take remedial measures. If within ten (10) days after Party A delivers a written notice to Party B or Party C and requires for rectification (or within any other reasonable period required by Party A), Party B or Party C (as the case may be) fails to rectify or take remedial measures, Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of Party B or Party C (as the case may be) under this Agreement and require Party B or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.
- 10.2 Party B or Party C shall not terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**11. Miscellaneous****11.1 Amendments, changes and supplements**

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**11.2 Entire agreement**

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

**11.3 Headings**

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

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#### 11.4 Severability

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

#### 11.5 Successors

The terms of this Agreement shall be binding on the Parties hereto and their respective successors, heirs (including who inherited the Optioned Interests) and permitted assigns, and shall be valid with respect to the Parties and each of their successors, heirs and permitted assigns.

#### 11.6 Survival

11.6.1 Any obligations that occurred or that are due in connection with this Agreement before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

#### 11.7 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

#### 11.8 Language

This Agreement is written in English language in three copies, each Party having one copy.



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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Party B: Lihong QIN**

签字 :  
By: /s/ Lihong Qin

**Party C: Shanghai Anbin Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Power of Attorney**

Date: April 19, 2018

I, Bin LI, a citizen of the People's Republic of China ("China" or the "PRC") whose Identification Card No. is \*\*\*\*\*, and a holder of 80% of the registered capital of Beijing NIO Network Technology Co., Ltd. (the "Beijing NIO Network") as of the date of this Power of Attorney, hereby irrevocably authorize and entrust NIO Co., Ltd. (the "WFOE") to exercise the following rights and handle the following matters on my behalf relating to all equity interests held by me now and in the future in Beijing NIO Network (the "My Shareholding"), during the term of this Power of Attorney:

The WFOE is hereby authorized, as my sole and exclusive agent and attorney, to act on behalf of myself with respect to all rights and matters concerning My Shareholding, including without limitation to: 1) convening and attending shareholders' meetings of Beijing NIO Network; 2) exercising all of the shareholder's rights and shareholder's voting rights that I am entitled to under the laws of China and the articles of association of Beijing NIO Network; 3) handling the sale, transfer, pledge or disposition of My Shareholding (in part or in whole), including without limitation executing all necessary equity transfer documents and other documents for disposal of My Shareholding and fulfilling all necessary procedures; 4) representing myself in executing any resolutions and minutes as a shareholder of Beijing NIO Network on my behalf; 5) nominating, electing, designating, appointing or removing on behalf of myself the legal representative, directors, supervisors, general managers, chief executive officer and other senior management members of Beijing NIO Network; and 6) approving the amendments to the company's articles of association. Without written consent by WFOE, I have no right to increase, decrease, transfer, pledge, or by any other manner to dispose or change My Shareholding.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on behalf of myself, execute all and any supplementary agreements, ancillary documents, modifications, and/or amended and restated versions in relation to the Exclusive Option Agreement, Equity Interest Pledge Agreement, Exclusive Business Cooperation Agreement and Loan Agreement dated April 19, 2018, by and among WFOE, Beijing NIO Network and/or myself, and any documents and agreements I shall sign as required in the aforesaid agreements (including without limitation the "Transfer Contract" for the transfer of the "Optioned Interests" as described under the Exclusive Option Agreement), and perform the obligations under the aforesaid documents and agreements.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify the actions taken by the WFOE and the documents executed by the WFOE in relation to My Shareholding.

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I hereby agree that the WFOE has the right to re-authorize or assign one or multiple matters and its rights related to such matters under this Power of Attorney to any other person or entity at its own discretion and without obtaining my prior consent. If required by PRC laws, the WFOE shall designate a qualified PRC citizen to handle such matters and exercise such rights as set forth in this Power of Attorney.

This Power of Attorney takes effect as of the date hereof. During the period that I am a shareholder of Beijing NIO Network, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

By: /s/ Bin Li

Name: Bin LI

Witness: /s/ Shuye Wu

Name: Shuye WU

Accepted by:

**NIO Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

Acknowledged by:

**Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

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## Power of Attorney

Date: April 19, 2018

I, Lihong QIN, a citizen of the People's Republic of China ("China" or the "PRC") whose Identification Card No. is \*\*\*\*\*, and a holder of 20% of the registered capital of Beijing NIO Network Technology Co., Ltd (the "Beijing NIO Network") as of the date of this Power of Attorney, hereby irrevocably authorize and entrust NIO Co., Ltd. (the "WFOE") to exercise the following rights and handle the following matters on my behalf relating to all equity interests held by me now and in the future in Beijing NIO Network (the "My Shareholding"), during the term of this Power of Attorney:

The WFOE is hereby authorized, as my sole and exclusive agent and attorney, to act on behalf of myself with respect to all rights and matters concerning My Shareholding, including without limitation to: 1) convening and attending shareholders' meetings of Beijing NIO Network; 2) exercising all of the shareholder's rights and shareholder's voting rights that I am entitled to under the laws of China and the articles of association of Beijing NIO Network; 3) handling the sale, transfer, pledge or disposition of My Shareholding (in part or in whole), including without limitation executing all necessary equity transfer documents and other documents for disposal of My Shareholding and fulfilling all necessary procedures; 4) representing myself in executing any resolutions and minutes as a shareholder and a director of Beijing NIO Network on my behalf; 5) nominating, electing, designating, appointing or removing on behalf of myself the legal representative, directors, supervisors, general managers, chief executive officer and other senior management members of Beijing NIO Network; and 6) approving the amendments to the company's articles of association. Without written consent by WFOE, I have no right to increase, decrease, transfer, pledge, or by any other manner to dispose or change My Shareholding.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on behalf of myself, execute all and any supplementary agreements, ancillary documents, modifications, and/or amended and restated versions in relation to the Exclusive Option Agreement, Equity Interest Pledge Agreement, Exclusive Business Cooperation Agreement and Loan Agreement dated April 19, 2018, by and among WFOE, Beijing NIO Network and/or myself, and any documents and agreements I shall sign as required in the aforesaid agreements (including without limitation the "Transfer Contract" for the transfer of the "Optioned Interests" as described under the Exclusive Option Agreement), and perform the obligations under the aforesaid documents and agreements.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify the actions taken by the WFOE and the documents executed by the WFOE in relation to My Shareholding.

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I hereby agree that the WFOE has the right to re-authorize or assign one or multiple matters and its rights related to such matters under this Power of Attorney to any other person or entity at its own discretion and without obtaining my prior consent. If required by PRC laws, the WFOE shall designate a qualified PRC citizen to handle such matters and exercise such rights as set forth in this Power of Attorney.

This Power of Attorney takes effect as of the date hereof. During the period that I am a shareholder of Beijing NIO Network, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

By: /s/ Lihong Qin

Name: Lihong QIN

Witness: /s/ Shuye Wu

Name: Shuye WU

Accepted by:

**NIO Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

Acknowledged by:

**Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin

Name: Lihong QIN

Title: Legal Representative

### Loan Agreement

This Loan Agreement (the “Agreement”) is made and entered into by and between the Parties below as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

- (1) **NIO Co., Ltd.** (the “Lender”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;
- (2) **Bin LI** (the “Borrower”), a citizen of China with Identification No.: \*\*\*\*\*.

In this Agreement, each of the Lender and the Borrower shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

**Whereas:**

1. As of the date hereof, the Borrower holds 80% of equity interests in Beijing NIO Network Technology Co., Ltd. (the “Borrower Company”). All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to as the “Borrower Equity Interest;”
2. The Lender agrees to provide the Borrower with a loan in the aggregate amount of RMB 8,000,000 to be used for the purposes set forth in this Agreement.

After friendly consultation, the Parties agree as follows:

**1 Loan**

- 1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to provide to the Borrower a loan in the aggregate amount of RMB 8,000,000 (the “Loan”). Once the Lender receives a notice from the Borrower requesting the provision of all or any part of the Loan during the term of this Agreement, the Lender shall within one (1) month after receiving such notice provide that portion of Loan to the Borrower. The term of the Loan shall be the term of this Agreement. During the term of the Loan, upon occurrence of any of the following circumstances, the term of the Loan shall accelerate and the Borrower shall immediately repay the full amount of the Loan (and any interest thereon):
  - 1.1.1 Thirty (30) days elapsed after the Borrower receives a written notice from the Lender requesting repayment of the Loan (and all interest thereon);
  - 1.1.2 The Borrower’s death, lack, or limitation of civil capacity;

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- 1.1.3 The Borrower ceases (for any reason) to be a shareholder of the Borrower Company or its affiliates, and the Borrower is not an employee of the Lender, the Borrower Company or their affiliates;
  - 1.1.4 The Borrower engages in criminal act or is involved in criminal activities;
  - 1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principal business that is currently conducted by the Borrower Company in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, the competent government authorities of China begin to approve such investments, and the Lender elects to exercise the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement; or the Lender or the Borrower Company has violated or committed a breach of its representations, warranties, covenants or other obligations under the Exclusive Option Agreement;
  - 1.1.6 The Borrower Company failed to obtain or renew any governmental approval or license necessary for the operation of its core business.
- 1.2 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and undertakes to use the Loan solely for the contribution of the registered capital of the Borrower Company, or for the working capital of the Borrower Company. Without the Lender's prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
  - 1.3 The Lender and the Borrower hereby agree and confirm that the Borrower shall repay the Loan only through the following means (or other means approved by the Lender): by transferring the Borrower Equity Interest in whole to the Lender or the Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan (principal and any interest thereon) to the Lender or the Lender's designated persons, in accordance with this Agreement and in the manner designated by the Lender.
  - 1.4 The Lender and the Borrower hereby agree and confirm that to the extent permitted by the applicable laws, the Lender shall have the right (but not the obligation) to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.
  - 1.5 The Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes the Lender or a legal or natural person designated by the Lender to exercise all of the Borrower's rights as a shareholder of the Borrower Company.

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- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender's designated person(s) in accordance with the Exclusive Option Agreement, (1) in the event that the transfer price of such Borrower Equity Interest equals to or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be an interest-free loan, (2) in the event that the transfer price of such Borrower Equity Interest exceeds the actual principal amount of the Loan under this Agreement, the excess over the actual principal amount shall be the interest of the Loan under this Agreement to the extent not prohibited by the PRC laws, and all of such interest shall be repaid by the Borrower to the Lender or otherwise paid by the Borrower to the Lender's designated person(s) through legal means within ten (10) days after receiving the transfer price.

## **2 Representations and Warranties**

- 2.1 Between the date of this Agreement and the date of termination of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and legally existing in accordance with the laws of China;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement do not violate the Lender's articles of association or other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations enforceable in accordance with its terms.
- 2.2 Between the date of this Agreement and the date of termination of this Agreement, the Borrower hereby makes the following representations and warranties:
- 2.2.1 The Borrower has the legal capacity to execute and perform this Agreement. The Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.2 This Agreement constitutes the Borrower's legal, valid, and binding obligations enforceable in accordance with its terms; and
  - 2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.



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**3 Borrower's Covenants**

- 3.1 As and when he/she becomes, and for so long as he/she remains a shareholder of the Borrower Company, the Borrower irrevocably covenants that during the term of this Agreement, the Borrower shall ensure the Borrower Company:
- 3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement (the "Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement.
  - 3.1.2 at the request of the Lender (or a party designated by the Lender), to execute the contracts/agreements on business cooperation with the Lender (or a party designated by the Lender), and to strictly abide by such contracts/agreements;
  - 3.1.3 to provide the Lender with all of the information on the Borrower Company's business operations and financial condition at the Lender's request;
  - 3.1.4 to immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Company's assets, business, or income;
  - 3.1.5 at the request of the Lender, to appoint any persons designated by the Lender as the director or the executive director of the Borrower Company;
- 3.2 the Borrower covenants that during the term of this Agreement, he/she shall:
- 3.2.1 endeavor to keep the Borrower Company to be engaged in its principle business and to keep the specific business scope of its business license;
  - 3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement (the "Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his/her obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

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- 3.2.3 without the prior written consent of the Lender, not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except in accordance with the Equity Interest Pledge Agreement, the Exclusive Option Agreement and the Power of Attorney;
  - 3.2.4 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to the Lender or the Lender's designated person;
  - 3.2.5 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of the Lender;
  - 3.2.6 immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Borrower Company's assets, business or revenue or relating to the Borrower Equity Interest;
  - 3.2.7 to the extent necessary to maintain his/her ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;
  - 3.2.8 without the prior written consent of the Lender, not cause the Borrower Company to sell, transfer, mortgage or dispose of in any manner any material assets of the Borrower Company or legal or beneficial interest in the material business or revenues of the Borrower Company, or allow the encumbrance thereon of any security interest, and refrain from any action/omission that may have a material impact on the assets, business and liabilities of the Borrower Company;
  - 3.2.9 appoint any designee of the Lender as the director or the executive director of the Borrower Company, at the request of the Lender;
  - 3.2.10 to the extent permitted by the laws of China, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the Lender's designated representative(s) at any time, and ensure the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

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- 3.2.11 to the extent permitted by the laws of China, at the request of the Lender at any time, ensure that the other shareholders of the Borrower Company shall promptly and unconditionally transfer all of their equity interests in the Borrower Company to the Lender or the Lender's designated representative(s) at any time, and the Borrower hereby waives his/her right of first refusal (if any) with respect to the equity transfer by such other shareholders described in this Section;
- 3.2.12 in the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan (and any interest thereon) to the Lender; and
- 3.2.13 without the prior written consent of the Lender, not cause the Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decrease its registered capital or change its share capital structure in any manner.

**4 Liability for Default**

- 4.1 If the Borrower materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Borrower. The Lender is entitled to require the Borrower to rectify or take remedial measures. If the Borrower fails to rectify or take remedial measures within ten (10) days after the Lender delivers a written notice to the Borrower and requires for rectification (or within any other reasonable period required by the Lender), the Lender is entitled to, at its sole discretion, (1) terminate this Agreement and require the Borrower to compensate all the losses; or (2) require specific performance of the obligations of the Borrower under this Agreement and require the Borrower to compensate all the losses. This Section shall not prejudice any other rights of the Lender under this Agreement
- 4.2 In the event that the Borrower fails to perform the repayment obligations set forth in this Agreement, the Borrower shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day the Borrower repays the full principal of the Loan (and any interest thereon), overdue interests and other payable amounts.

**5 Notices**

- 5.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

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- 5.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below
- 5.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 5.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 5.2 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms of this Section.

**6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**7 Governing Law and Resolution of Disputes**

- 7.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

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- 7.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.
- 7.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.
- 8.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.
- 8.3 In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.4 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.
- 8.5 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.5 shall survive the termination of this Agreement.
- 8.6 This Agreement shall be written in English language in two copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date first above written.

**Lender: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Borrower: Bin LI**

By: /s/ Bin Li

## Loan Agreement

This Loan Agreement (the “Agreement”) is made and entered into by and between the Parties below as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

- (1) **NIO Co., Ltd.** (the “Lender”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;
- (2) **Lihong QIN** (the “Borrower”), a citizen of China with Identification No.: \*\*\*\*\*.

In this Agreement, each of the Lender and the Borrower shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

### Whereas:

1. As of the date hereof, the Borrower holds 20% of equity interests in Beijing NIO Network Technology Co., Ltd. (the “Borrower Company”). All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to as the “Borrower Equity Interest;”
2. The Lender agrees to provide the Borrower with a loan in the aggregate amount of RMB 2,000,000 to be used for the purposes set forth in this Agreement.

After friendly consultation, the Parties agree as follows:

### 1 Loan

- 1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to provide to the Borrower a loan in the aggregate amount of RMB 2,000,000 (the “Loan”). Once the Lender receives a notice from the Borrower requesting the provision of all or any part of the Loan during the term of this Agreement, the Lender shall within one (1) month after receiving such notice provide that portion of Loan to the Borrower. The term of the Loan shall be the term of this Agreement. During the term of the Loan, upon occurrence of any of the following circumstances, the term of the Loan shall accelerate and the Borrower shall immediately repay the full amount of the Loan (and any interest thereon):
  - 1.1.1 Thirty (30) days elapsed after the Borrower receives a written notice from the Lender requesting repayment of the Loan (and all interest thereon);
  - 1.1.2 The Borrower’s death, lack, or limitation of civil capacity;

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- 1.1.3 The Borrower ceases (for any reason) to be a shareholder of the Borrower Company or its affiliates, and the Borrower is not an employee of the Lender, the Borrower Company or their affiliates;
  - 1.1.4 The Borrower engages in criminal act or is involved in criminal activities;
  - 1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principal business that is currently conducted by the Borrower Company in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, the competent government authorities of China begin to approve such investments, and the Lender elects to exercise the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement; or the Lender or the Borrower Company has violated or committed a breach of its representations, warranties, covenants or other obligations under the Exclusive Option Agreement;
  - 1.1.6 The Borrower Company failed to obtain or renew any governmental approval or license necessary for the operation of its core business.
- 1.2 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and undertakes to use the Loan solely for the contribution of the registered capital of the Borrower Company, or for the working capital of the Borrower Company. Without the Lender's prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
  - 1.3 The Lender and the Borrower hereby agree and confirm that the Borrower shall repay the Loan only through the following means (or other means approved by the Lender): by transferring the Borrower Equity Interest in whole to the Lender or the Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan (principal and any interest thereon) to the Lender or the Lender's designated persons, in accordance with this Agreement and in the manner designated by the Lender.
  - 1.4 The Lender and the Borrower hereby agree and confirm that to the extent permitted by the applicable laws, the Lender shall have the right (but not the obligation) to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.
  - 1.5 The Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes the Lender or a legal or natural person designated by the Lender to exercise all of the Borrower's rights as a shareholder of the Borrower Company.



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- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender's designated person(s) in accordance with the Exclusive Option Agreement, (1) in the event that the transfer price of such Borrower Equity Interest equals to or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be an interest-free loan, (2) in the event that the transfer price of such Borrower Equity Interest exceeds the actual principal amount of the Loan under this Agreement, the excess over the actual principal amount shall be the interest of the Loan under this Agreement to the extent not prohibited by the PRC laws, and all of such interest shall be repaid by the Borrower to the Lender or otherwise paid by the Borrower to the Lender's designated person(s) through legal means within ten (10) days after receiving the transfer price.

## **2 Representations and Warranties**

- 2.1 Between the date of this Agreement and the date of termination of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and legally existing in accordance with the laws of China;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement do not violate the Lender's articles of association or other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations enforceable in accordance with its terms.
- 2.2 Between the date of this Agreement and the date of termination of this Agreement, the Borrower hereby makes the following representations and warranties:
- 2.2.1 The Borrower has the legal capacity to execute and perform this Agreement. The Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.2 This Agreement constitutes the Borrower's legal, valid, and binding obligations enforceable in accordance with its terms; and
  - 2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

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**3 Borrower's Covenants**

- 3.1 As and when he/she becomes, and for so long as he/she remains a shareholder of the Borrower Company, the Borrower irrevocably covenants that during the term of this Agreement, the Borrower shall ensure the Borrower Company:
- 3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement (the "Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement.
  - 3.1.2 at the request of the Lender (or a party designated by the Lender), to execute the contracts/agreements on business cooperation with the Lender (or a party designated by the Lender), and to strictly abide by such contracts/agreements;
  - 3.1.3 to provide the Lender with all of the information on the Borrower Company's business operations and financial condition at the Lender's request;
  - 3.1.4 to immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Company's assets, business, or income;
  - 3.1.5 at the request of the Lender, to appoint any persons designated by the Lender as the director or the executive director of the Borrower Company;
- 3.2 the Borrower covenants that during the term of this Agreement, he/she shall:
- 3.2.1 endeavor to keep the Borrower Company to be engaged in its principle business and to keep the specific business scope of its business license;
  - 3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement (the "Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his/her obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

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- 3.2.3 without the prior written consent of the Lender, not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except in accordance with the Equity Interest Pledge Agreement, the Exclusive Option Agreement and the Power of Attorney;
  - 3.2.4 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to the Lender or the Lender's designated person;
  - 3.2.5 ensure any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of the Lender;
  - 3.2.6 immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Borrower Company's assets, business or revenue or relating to the Borrower Equity Interest;
  - 3.2.7 to the extent necessary to maintain his/her ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;
  - 3.2.8 without the prior written consent of the Lender, not cause the Borrower Company to sell, transfer, mortgage or dispose of in any manner any material assets of the Borrower Company or legal or beneficial interest in the material business or revenues of the Borrower Company, or allow the encumbrance thereon of any security interest, and refrain from any action/omission that may have a material impact on the assets, business and liabilities of the Borrower Company;
  - 3.2.9 appoint any designee of the Lender as the director or the executive director of the Borrower Company, at the request of the Lender;
  - 3.2.10 to the extent permitted by the laws of China, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the Lender's designated representative(s) at any time, and ensure the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

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- 3.2.11 to the extent permitted by the laws of China, at the request of the Lender at any time, ensure that the other shareholders of the Borrower Company shall promptly and unconditionally transfer all of their equity interests in the Borrower Company to the Lender or the Lender's designated representative(s) at any time, and the Borrower hereby waives his/her right of first refusal (if any) with respect to the equity transfer by such other shareholders described in this Section;
- 3.2.12 in the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan (and any interest thereon) to the Lender; and
- 3.2.13 without the prior written consent of the Lender, not cause the Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decrease its registered capital or change its share capital structure in any manner.

**4 Liability for Default**

- 4.1 If the Borrower materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Borrower. The Lender is entitled to require the Borrower to rectify or take remedial measures. If the Borrower fails to rectify or take remedial measures within ten (10) days after the Lender delivers a written notice to the Borrower and requires for rectification (or within any other reasonable period required by the Lender), the Lender is entitled to, at its sole discretion, (1) terminate this Agreement and require the Borrower to compensate all the losses; or (2) require specific performance of the obligations of the Borrower under this Agreement and require the Borrower to compensate all the losses. This Section shall not prejudice any other rights of the Lender under this Agreement
- 4.2 In the event that the Borrower fails to perform the repayment obligations set forth in this Agreement, the Borrower shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day the Borrower repays the full principal of the Loan (and any interest thereon), overdue interests and other payable amounts.

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**5 Notices**

- 5.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 5.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below
- 5.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 5.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 5.2 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms of this Section.

**6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**7 Governing Law and Resolution of Disputes**

- 7.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

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- 7.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.
- 7.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.
- 8.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.
- 8.3 In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.4 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.
- 8.5 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.5 shall survive the termination of this Agreement.
- 8.6 This Agreement shall be written in English language in two copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date first above written.

**Lender: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Borrower: Lihong QIN**

By: /s/ Lihong Qin

### Equity Interest Pledge Agreement

This Exclusive Interest Pledge Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.** (hereinafter the “Pledgee”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;

**Party B: Lihong QIN** (hereinafter the “Pledgor”), a Chinese citizen with Identification No.: \*\*\*\*\*;

**Party C: Beijing NIO Network Technology Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its registered address at Room 112, Beijing Yuxiangqing Hotel, No. 23 Courtyard, Babaozhuang, Haidian District, Beijing.

In this Agreement, each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. The Pledgor is a citizen of China who as of the date hereof holds 80% of the equity interests of Party C, representing RMB 8,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
2. The Pledgee is a wholly foreign-owned enterprise registered in China. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, the Pledgee and the Pledgor have executed an Exclusive Option Agreement (as defined below); the Pledgor has executed a Power of Attorney (as defined below) in favor of the Pledgee; and the Pledgee and the Pledgor have executed a Loan Agreement (as defined below) as defined below;
3. To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for Party C’s and the Pledgor’s obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.



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## 1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest.
- 1.2 Equity Interest: shall refer to 80% equity interests in Party C currently held by the Pledgor, representing RMB 8,000,000 in the registered capital of Party C, and all of the equity interest hereafter legally acquired by the Pledgor in Party C.
- 1.3 Term of the Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on April 19, 2018, (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, the Pledgee and the Pledgor on April 19, 2018, (the "Exclusive Option Agreement"), the Loan Agreement executed by and between the Pledgee and the Pledgor on April 19, 2018, (the "Loan Agreement"), Power of Attorney executed on April 19, 2018, by the Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contract Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default on the part of the Pledgor and/or Party C under the Transaction Documents. The amount of such losses shall be calculated based on such factors as the reasonable business plan and profit forecast of the Pledgee, the consulting and service fees payable to the Pledgee under the Exclusive Business Cooperation Agreement, damages and relevant fees under the Transaction Documents, all expenses occurred by the Pledgee in connection with enforcement of the Pledgor's and/or Party C's Contract Obligations and etc.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

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1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

**2. Pledge**

- 2.1 The Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that the Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the term of the Pledge, unless prohibited by the applicable laws and regulations, the Pledgee is entitled to receive dividends distributed on the Equity Interest. Without the prior written consent of the Pledgee, the Pledgor shall not receive dividends distributed on the Equity Interest. Dividends received by the Pledgor on Equity Interest after the deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to making any other payment; or (2) to the extent not prohibited by the applicable PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 2.3 The Pledgor may subscribe for a capital increase in Party C only with prior written consent of the Pledgee. Any additional equity interest obtained by the Pledgor as a result of the Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest, and the Parties shall enter into further equity pledge agreement for this purpose and complete registration of the pledge of such additional equity interest.
- 2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to the Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) to the extent not prohibited by PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the applicable PRC laws.

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### **3. Term of the Pledge**

- 3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with the relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness has been fully paid. The Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the relevant PRC laws and regulations and the competent AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.
- 3.2 During the Term of the Pledge, in the event the Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

### **4. Custody of Records for Equity Interest subject to the Pledge**

- 4.1 During the Term of the Pledge set forth in this Agreement, the Pledgor shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of the Pledge set forth in this Agreement.

### **5. Representations and Warranties of the Pledgor and Party C**

As of the execution date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee that:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Equity Interest. The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.
- 5.2 Each of the Pledgor and Party C has the power, capacity and authority to execute and deliver this Agreement, and to perform it/his obligations under this Agreement. This Agreement constitutes the Pledgor's and Party C's legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof.
- 5.3 Except for the Pledge, the Pledgor has not placed any security interest or other encumbrance on the Equity Interest.
- 5.4 The Pledgor and Party C have obtained any and all approvals and consents from the applicable government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.

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- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or document to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

**6. Covenants of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee:
- 6.1.1 The Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of the Pledgee, except for the performance of the Transaction Documents; Party C shall not assent to or assist in the aforesaid behaviors;
  - 6.1.2 The Pledgor and Party C shall comply with and carry out all requirements under applicable laws and regulations relating to pledge, and within five (5) days of receipt of any notice, order or recommendation issued or made by the competent authorities regarding the Pledge (if any), shall present the aforementioned notice, order or recommendation to the Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon the Pledgee's reasonable request or upon consent of the Pledgee;
  - 6.1.3 Each of the Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it that may have an impact on the Equity Interest (or any portion thereof,) as well as any event or notice received by it that may have an impact on any guarantees and obligations of the Pledgor under this Agreement or the performance of obligations of the Pledgor under this Agreement;
  - 6.1.4 Party C shall complete the registration procedures for the extension of the operation term within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.
- 6.2 The Pledgor agrees that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by the Pledgor or any, successors, heirs or representatives of the Pledgor or any other persons through any legal proceedings.

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- 6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, the Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by the Pledgee. The Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or designee(s) of the Pledgee (natural persons/legal persons). The Pledgor undertakes to provide the Pledgee within a reasonable time with all notices, the orders and decisions regarding the Pledge that are required by the Pledgee.
- 6.4 The Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, the Pledgor shall indemnify the Pledgee for all losses resulting therefrom.

## **7. Event of Breach**

- 7.1 The following circumstances shall be deemed an Event of Default:
- 7.1.1 The Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing accordingly.
- 7.3 Unless an Event of Default set forth in Section 7.1 has been successfully resolved to the Pledgee's satisfaction within twenty (20) days after the Pledgee and/or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, the Pledgee may issue a Notice of Default to the Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

## **8. Exercise of the Pledge**

- 8.1 The Pledgee shall issue a written Notice of Default to the Pledgor when it exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1.

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- 8.3 After the Pledgee issues a Notice of Default to the Pledgor in accordance with Section 8.1, the Pledgee may exercise any remedy measure under the applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.
- 8.4 The proceeds from the exercise of the Pledge by the Pledgee shall be used to pay for the taxes and expenses incurred as a result of disposing the Equity Interest and to perform the Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to the Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where the Pledgor resides, with all expenses incurred being borne by the Pledgor. To the extent not prohibited by the applicable PRC laws, the Pledgor shall unconditionally donate the aforementioned proceeds to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 8.5 The Pledgee may exercise any remedy measure available to it simultaneously or in any order. The Pledgee may exercise the priority right in compensation based on the monetary valuation that such Equity Interest is converted into or with the proceeds from the auction or sale of the Equity Interest under this Agreement, without being required to exercise any other remedy measure first.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide the necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

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**9. Breach of Agreement**

- 9.1 If the Pledgor or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Pledgor or Party C (as the case may be). The Pledgee is entitled to require the Pledgor or Party C to rectify or take remedial measures. If within ten (10) days after the Pledgee delivers a written notice to the Pledgor or Party C and requires for rectification (or within any other reasonable period required by the Pledgee), the Pledgor or Party C (as the case may be) fails to rectify or take remedial measures, the Pledgee is entitled to, at its sole discretion, (1) terminate this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of the Pledgor or Party C (as the case may be) under this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of the Pledgee under this Agreement.
- 9.2 The Pledgor or Party C shall not have any right to terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**10. Assignment**

- 10.1 Without the Pledgee's prior written consent, neither the Pledgor nor Party C shall assign or delegate its/his rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and his/her successors, heirs (including who inherited the Equity Interest) and permitted assigns, and shall be valid with respect to the Pledgee and each of his/her successors, heirs and permitted assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assignees shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.
- 10.4 In the event of change of the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent AIC.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by the Pledgor except in accordance with the written instructions of the Pledgee.

**11. Termination**

- 11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor in de-registering the Pledge from the shareholders' register of Party C and with the competent PRC local administration for industry and commerce.

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11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

**12. Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

**13. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**14. Governing Law and Resolution of Disputes**

14.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.



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14.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**15. Severability**

In the event that one or several of the provisions of this Contract are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**16. Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

**17. Effectiveness and Amendments**

- 17.1 This Agreement shall become effective upon execution by the Parties, until the Contract Obligations have been fully performed and the Secured Indebtedness have been fully paid.
- 17.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**18. Language and Counterparts**

This Agreement is written in English in four copies. The Pledgor, the Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration.

*The Remainder of this page is intentionally left blank*

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

**Pledgee: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Pledgor: Bin LI**

By: /s/ Bin Li

**Party C: Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C;
3. Exclusive Business Cooperation Agreement;
4. Exclusive Option Agreement;
5. Loan Agreement
6. Power of Attorney.

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## Equity Interest Pledge Agreement

This Exclusive Interest Pledge Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.** (hereinafter the “Pledgee”), a wholly foreign-owned enterprise, organized and existing under the laws of the PRC, with its registered address at Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai;

**Party B: Lihong QIN** (hereinafter the “Pledgor”), a Chinese citizen with Identification No.: \*\*\*\*\*;

**Party C: Beijing NIO Network Technology Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its registered address at Room 112, Beijing Yuxiangqing Hotel, No. 23 Courtyard, Babaozhuang, Haidian District, Beijing.

In this Agreement, each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. The Pledgor is a citizen of China who as of the date hereof holds 20% of the equity interests of Party C, representing RMB 2,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
2. The Pledgee is a wholly foreign-owned enterprise registered in China. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, the Pledgee and the Pledgor have executed an Exclusive Option Agreement (as defined below); the Pledgor has executed a Power of Attorney (as defined below) in favor of the Pledgee; and the Pledgee and the Pledgor have executed a Loan Agreement (as defined below) as defined below;
3. To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for Party C’s and the Pledgor’s obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

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## 1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest.
- 1.2 Equity Interest: shall refer to 20% equity interests in Party C currently held by the Pledgor, representing RMB 2,000,000 in the registered capital of Party C, and all of the equity interest hereafter legally acquired by the Pledgor in Party C.
- 1.3 Term of the Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on April 19, 2018, (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, the Pledgee and the Pledgor on April 19, 2018, (the "Exclusive Option Agreement"), the Loan Agreement executed by and between the Pledgee and the Pledgor on April 19, 2018, (the "Loan Agreement"), Power of Attorney executed on April 19, 2018, by the Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contract Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.
- 1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default on the part of the Pledgor and/or Party C under the Transaction Documents. The amount of such losses shall be calculated based on such factors as the reasonable business plan and profit forecast of the Pledgee, the consulting and service fees payable to the Pledgee under the Exclusive Business Cooperation Agreement, damages and relevant fees under the Transaction Documents, all expenses occurred by the Pledgee in connection with enforcement of the Pledgor's and/or Party C's Contract Obligations and etc.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

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1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

**2. Pledge**

- 2.1 The Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that the Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the term of the Pledge, unless prohibited by the applicable laws and regulations, the Pledgee is entitled to receive dividends distributed on the Equity Interest. Without the prior written consent of the Pledgee, the Pledgor shall not receive dividends distributed on the Equity Interest. Dividends received by the Pledgor on Equity Interest after the deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to making any other payment; or (2) to the extent not prohibited by the applicable PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 2.3 The Pledgor may subscribe for a capital increase in Party C only with prior written consent of the Pledgee. Any additional equity interest obtained by the Pledgor as a result of the Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest, and the Parties shall enter into further equity pledge agreement for this purpose and complete registration of the pledge of such additional equity interest.
- 2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to the Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) to the extent not prohibited by PRC laws, unconditionally donated to the Pledgee or any other person designated by the Pledgee in the manner permitted by the applicable PRC laws.

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### **3. Term of the Pledge**

- 3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with the relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness has been fully paid. The Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the relevant PRC laws and regulations and the competent AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.
- 3.2 During the Term of the Pledge, in the event the Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, the Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

### **4. Custody of Records for Equity Interest subject to the Pledge**

- 4.1 During the Term of the Pledge set forth in this Agreement, the Pledgor shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of the Pledge set forth in this Agreement.

### **5. Representations and Warranties of the Pledgor and Party C**

As of the execution date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee that:

- 5.1 The Pledgor is the sole legal and beneficial owner of the Equity Interest. The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.
- 5.2 Each of the Pledgor and Party C has the power, capacity and authority to execute and deliver this Agreement, and to perform it/his obligations under this Agreement. This Agreement constitutes the Pledgor's and Party C's legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof.
- 5.3 Except for the Pledge, the Pledgor has not placed any security interest or other encumbrance on the Equity Interest.
- 5.4 The Pledgor and Party C have obtained any and all approvals and consents from the applicable government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.

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- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or document to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

**6. Covenants of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally covenant to the Pledgee:
- 6.1.1 The Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of the Pledgee, except for the performance of the Transaction Documents; Party C shall not assent to or assist in the aforesaid behaviors;
  - 6.1.2 The Pledgor and Party C shall comply with and carry out all requirements under applicable laws and regulations relating to pledge, and within five (5) days of receipt of any notice, order or recommendation issued or made by the competent authorities regarding the Pledge (if any), shall present the aforementioned notice, order or recommendation to the Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon the Pledgee's reasonable request or upon consent of the Pledgee;
  - 6.1.3 Each of the Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it that may have an impact on the Equity Interest (or any portion thereof,) as well as any event or notice received by it that may have an impact on any guarantees and obligations of the Pledgor under this Agreement or the performance of obligations of the Pledgor under this Agreement;
  - 6.1.4 Party C shall complete the registration procedures for the extension of the operation term within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.
- 6.2 The Pledgor agrees that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by the Pledgor or any, successors, heirs or representatives of the Pledgor or any other persons through any legal proceedings.



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- 6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, the Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by the Pledgee. The Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or designee(s) of the Pledgee (natural persons/legal persons). The Pledgor undertakes to provide the Pledgee within a reasonable time with all notices, the orders and decisions regarding the Pledge that are required by the Pledgee.
- 6.4 The Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, the Pledgor shall indemnify the Pledgee for all losses resulting therefrom.

## **7. Event of Breach**

- 7.1 The following circumstances shall be deemed an Event of Default:
- 7.1.1 The Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing accordingly.
- 7.3 Unless an Event of Default set forth in Section 7.1 has been successfully resolved to the Pledgee's satisfaction within twenty (20) days after the Pledgee and/or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, the Pledgee may issue a Notice of Default to the Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

## **8. Exercise of the Pledge**

- 8.1 The Pledgee shall issue a written Notice of Default to the Pledgor when it exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1.

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- 8.3 After the Pledgee issues a Notice of Default to the Pledgor in accordance with Section 8.1, the Pledgee may exercise any remedy measure under the applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.
- 8.4 The proceeds from the exercise of the Pledge by the Pledgee shall be used to pay for the taxes and expenses incurred as a result of disposing the Equity Interest and to perform the Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to the Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where the Pledgor resides, with all expenses incurred being borne by the Pledgor. To the extent not prohibited by the applicable PRC laws, the Pledgor shall unconditionally donate the aforementioned proceeds to the Pledgee or any other person designated by the Pledgee in the manner permitted by the PRC laws.
- 8.5 The Pledgee may exercise any remedy measure available to it simultaneously or in any order. The Pledgee may exercise the priority right in compensation based on the monetary valuation that such Equity Interest is converted into or with the proceeds from the auction or sale of the Equity Interest under this Agreement, without being required to exercise any other remedy measure first.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide the necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

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**9. Breach of Agreement**

- 9.1 If the Pledgor or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of the Pledgor or Party C (as the case may be). The Pledgee is entitled to require the Pledgor or Party C to rectify or take remedial measures. If within ten (10) days after the Pledgee delivers a written notice to the Pledgor or Party C and requires for rectification (or within any other reasonable period required by the Pledgee), the Pledgor or Party C (as the case may be) fails to rectify or take remedial measures, the Pledgee is entitled to, at its sole discretion, (1) terminate this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of the Pledgor or Party C (as the case may be) under this Agreement and require the Pledgor or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of the Pledgee under this Agreement.
- 9.2 The Pledgor or Party C shall not have any right to terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**10. Assignment**

- 10.1 Without the Pledgee's prior written consent, neither the Pledgor nor Party C shall assign or delegate its/his rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and his/her successors, heirs (including who inherited the Equity Interest) and permitted assigns, and shall be valid with respect to the Pledgee and each of his/her successors, heirs and permitted assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assignees shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.
- 10.4 In the event of change of the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent AIC.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by the Pledgor except in accordance with the written instructions of the Pledgee.

**11. Termination**

- 11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor in de-registering the Pledge from the shareholders' register of Party C and with the competent PRC local administration for industry and commerce.

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11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

**12. Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

**13. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

**14. Governing Law and Resolution of Disputes**

14.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

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14.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

**15. Severability**

In the event that one or several of the provisions of this Contract are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**16. Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

**17. Effectiveness and Amendments**

- 17.1 This Agreement shall become effective upon execution by the Parties, until the Contract Obligations have been fully performed and the Secured Indebtedness have been fully paid.
- 17.2 Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

**18. Language and Counterparts**

This Agreement is written in English in four copies. The Pledgor, the Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration.

*The Remainder of this page is intentionally left blank*

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

**Pledgee: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Pledgor: Lihong QIN**

By: /s/ Lihong Qin

**Party C: Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C;
3. Exclusive Business Cooperation Agreement;
4. Exclusive Option Agreement;
5. Loan Agreement
6. Power of Attorney.

### Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this “Agreement”) is made and entered into by and between the following parties on April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”).

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Beijing NIO Network Technology Co., Ltd.**

Address: Room 112, Beijing Yuxiangqing Hotel, No. 23 Courtyard, Babaozhuang, Haidian District, Beijing

In this Agreement, each of Party A and Party B shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise established in China, and has sufficient capacity, experience and resources for the R&D of new energy automobiles and related components and for providing technical development, technical services and consultation in relation to new energy automobile and related components;
2. Party B is a company established in China with exclusive domestic capital and as registered with the relevant PRC government authorities, is permitted to engage in internet culture activities. The businesses conducted by Party B currently and at any time during the term of this Agreement are collectively referred to as the “Principal Business”;
3. Party A is willing to provide Party B with technical development, technical support, management consultation and other related services on an exclusive basis in relation to the Principal Business during the term of this Agreement, utilizing its advantages in technology, team, and resources, and Party B is willing to accept such services provided by Party A or Party A’s designee(s), each on the terms set forth herein.

Now, therefore, through mutual discussion, the Parties have reached the following agreements:

#### 1. Services Provided by Party A

- 1.1 Party B hereby appoints Party A as Party B’s exclusive services provider to provide Party B with comprehensive technical support, consulting services and other related services during the term of this Agreement, in accordance with the terms and conditions of this Agreement, including but not limited to the following:
  - (1) Licensing Party B to use the technology and software legally owned by Party A in relation to the Principal Business;



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- (2) Design, development, maintenance and updating of technologies necessary for Party B's Principal Business, and provision of related technical consultation and technical services;
  - (3) Design, installation, daily management, maintenance and updating of related database;
  - (4) Technical support and training for employees of Party B;
  - (5) Assisting Party B in collection and research of technology and market information (excluding market research business that wholly foreign-owned enterprises are restricted from conducting under PRC law);
  - (6) Providing business and management consultation for Party B;
  - (7) Providing marketing and promotional services for Party B;
  - (8) Development and testing of new products;
  - (9) Leasing of equipments or properties; and
  - (10) Other related services requested by Party B from time to time to the extent permitted under PRC law.
- 1.2 Party B agrees to accept all the services provided by Party A. The Parties agree that Party A may appoint or designate its affiliates or other qualified parties to provide Party B with the services under this Agreement (the parties designated by Party A may enter into certain agreements described in Section 1.3 with Party B). Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish same or similar corporation relationships with any third party regarding the matters contemplated by this Agreement.
- 1.3 Service Providing Methodology
- 1.3.1 Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into further service agreements with Party A or any other party designated by Party A, which shall provide the specific contents, methods, personnel, and fees for the specific services.
  - 1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into equipment or property lease agreements with Party A or any other party designated by Party A which shall permit Party B to use Party A's relevant equipment or property based on the business needs of Party B.

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- 1.3.3 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

## **2. The Calculation and Payment of the Service Fees**

2.1 The fees payable by Party B to Party A during the term of this Agreement shall be calculated as follows:

- 2.1.1 In consideration for the services provided by Party A hereunder, Party B shall pay a service fee to Party A on annual basis (or at any time agreed by the Parties). The service fees for each year (or for any other period agreed by the Parties) shall consist of a management fee and a fee for services provided, which shall be reasonably determined by Party A based on the following factors. Party A may provide separate confirmation letter and/or invoice to Party B to indicate the amount of service fees due for each service period; or the amount of services fees may be as set forth in the relevant contracts separately executed by the Parties.
- (1) Complexity and difficulty of the services provided by Party A;
  - (2) Seniority of and time consumed by the employees of Party A providing the services;
  - (3) Specific contents, scope and value of the services provided by Party A;
  - (4) Market price of the same type of services;
  - (5) Operation conditions of Party B.
- 2.1.2 If Party A transfers or licenses technology to Party B, develops software or other technology as entrusted by Party B, or leases equipments or properties to Party B, the technology transfer price, license price, development fees or rent shall be determined by the Parties separately based on the actual situations and/or set forth in the relevant contracts separately executed by the Parties.

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### **3. Intellectual Property Rights and Confidentiality Clauses**

- 3.1 Party A shall have sole, exclusive and complete ownership, rights and interests in any and all intellectual properties or intangible assets arising out of or created or developed during the performance of this Agreement by both Parties, including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others (to the extent not prohibited by the PRC laws). Unless expressly authorized by Party A, Party B is not entitled to any rights or interests in any intellectual property rights of Party A which are used by Party A in providing the services pursuant to this Agreement. To ensure Party A's rights under this Section, where necessary, Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion, for the purposes of vesting the ownership, right or interest of any such intellectual property rights and intangible assets in Party A, and/or perfecting the protections of any such intellectual property rights and intangible assets for Party A (including registering such intellectual property rights and intangible assets under Party A's name).
- 3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

### **4. Representations and Warranties**

- 4.1 Party A hereby represents, warrants and covenants as follows:
- 4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing in accordance with the laws of China; Party A or the service providers designated by Party A will obtain all government permits and licenses necessary for providing the service under this Agreement (if required) before providing such services.
- 4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

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4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents, warrants and covenants as follows:

4.2.1. Party B is a company legally established and validly existing in accordance with the laws of China and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.

4.2.2. Party B has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.2.3. This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

## **5. Term of Agreement**

5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof and endeavor to obtain the approval of, and complete registration with, the competent authorities for such renewal, so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by the competent government authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

## **6. Governing Law and Resolution of Disputes**

6.1 The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

6.2 In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

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- 6.3 Upon the occurrence of any disputes arising from the interpretation and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **7. Breach of Agreement and Indemnification**

- 7.1 If Party B materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B. Party A is entitled to require Party B to rectify or take remedial measures. If Party B fails to rectify or take remedial measures within ten (10) days after Party A delivers a written notice to Party B and requires for rectification (or within any other reasonable period required by Party A), Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B to compensate all the losses; or (2) require specific performance of the obligations of Party B under this Agreement and require Party B to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.
- 7.2 Unless otherwise required by the applicable laws, Party B shall not unilaterally terminate this Agreement in any event.
- 7.3 Party B shall indemnify Party A and hold Party A harmless from any losses, damages, obligations or expenses caused by any lawsuit, claims or other demands raised by any third party against Party A arising from or caused by the services provided by Party A to Party B pursuant to this Agreement, except where such losses, damages, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

## **8. Force Majeure**

- 8.1 In the case of any force majeure events ("Force Majeure") such as earthquakes, typhoons, floods, fires, flu, wars, riots, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which causes the failure of either Party to perform or completely perform this Agreement or perform this Agreement on time, the Party affected by such Force Majeure shall not be liable for this. However, the Party affected by such Force Majeure shall give the other Party written notices without any delay, and shall provide details and related documents evidencing such event within 15 days after sending out such notice, explaining the reasons for such failure of, partial or delay of performance.

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- 8.2 If such Party claiming Force Majeure fails to notify the other Party and furnish it with proof pursuant to the above provision, such Party shall not be excused from the non-performance, incomplete performance or delay of performance of its obligations hereunder. The Party so affected by the event of Force Majeure shall use reasonable efforts to minimize the consequences of such Force Majeure and to promptly resume performance hereunder whenever the causes of such excuse are cured. Should the Party so affected by the event of Force Majeure fail to resume performance hereunder when the causes of such excuse are cured, such Party shall be liable to the other Party.
- 8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

**9. Assignment**

- 9.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.
- 9.2 Party B agrees that unless expressly required by the applicable laws otherwise, Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B and does not need any consent from Party B for such assignment.

**10. Severability**

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

**11. Amendments and Supplements**

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

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**12. Successors**

The terms of this Agreement shall be binding on the Parties hereto and their respective successors and permitted assigns, and shall be valid with respect to the Parties and each of their successors and permitted assigns.

**13. Language and Counterparts**

This Agreement is written in English language in two copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Party B: Beijing NIO Network Technology Co., Ltd**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative



### Exclusive Option Agreement

This Exclusive Option Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Bin LI (a Chinese citizen with Identification No.: \*\*\*\*\*)**

**Party C: Beijing NIO Network Technology Co., Ltd.**

Address: Room 112, Beijing Yuxiangqing Hotel, No. 23 Courtyard, Babaozhuang, Haidian District, Beijing

In this Agreement, each of Party A, Party B and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. Party B is the shareholder of Party C and as of the date hereof hold 80% of the equity interests of Party C, representing RMB 8,000,000 in the registered capital of Party C.
2. Party A and Party B executed a Loan Agreement (“Loan Agreement”) on April 19, 2018, according to which Party A agreed to provide to Party B a loan in the amount of RMB 8,000,000 for the purpose as designated in the Loan Agreement.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

**1. Sale and Purchase of Equity Interest**

**1.1 Option Granted**

Party B hereby irrevocably and unconditionally grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a “Designee”) to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A’s sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the “Equity Interest Purchase Option”). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term “person” as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

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## 1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's decision to exercise the Equity Interest Purchase Option, and the name of the Designee(s) if any; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for the transfer of the Optioned Interests.

## 1.3 Equity Interest Purchase Price

### Optioned Interests

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

## 1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the Optioned Interests by Party B to Party A and/or the Designee(s) and waiving any right of first refusal with respect thereto;
- 1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 Party B shall, within thirty (30) days after receipt of the Equity Interest Purchase Option Notice, execute all necessary contracts, agreements or documents with relevant parties, obtain all necessary government approvals and permits, and complete all necessary registrations and filings, so as to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney; "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.; "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modification, amendment and restatement thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

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- 2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
  - 2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
  - 2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;
  - 2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;
  - 2.1.5 They shall always operate all of Party C's businesses within the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may adversely affect Party C's operating status and asset value;
  - 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business;
  - 2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;
  - 2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;
  - 2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
  - 2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;
  - 2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business, revenue or equity interest;

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- 2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
  - 2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
  - 2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.
  - 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and
  - 2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquidated without prior written consent by Party A;
  - 2.1.17 Once PRC laws permits foreign investors to invest in the principal business of Party C in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, and the competent government authorities of China begin to approve such investments, upon Party's exercise of the Equity Interest Purchase Option, Party B shall immediately transfer to Party A or the Designee(s) the equity interest in Party C held by Party B.

## 2.2 Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;
- 2.2.2 Without the prior written consent of Party A, Party B shall ensure the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;

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- 2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall ensure the shareholders' meeting or the directors (or the executive director) of Party C to vote in favor of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
- 2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;
- 2.2.8 Party B gives consent to the execution by each of the other shareholders of Party C with Party A and Party C of the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, and undertakes not to take any action in conflict with such documents executed by such other shareholders; with respect to the transfer of equity interest of Party C by any of the other shareholders of Party C to Party A and/or the Designee(s) pursuant to such shareholder's exclusive option agreement, Party B hereby waives all of its right of first refusal (if any).
- 2.2.9 If Party received any profit distribution, interest, dividend or proceeds of liquidation from Party C, Party B shall promptly donate all such profit distribution, interest, dividend or proceeds of liquidation to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws; and
- 2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

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### 3. **Representations and Warranties**

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of the transfer of the Optioned Interests, that:

- 3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning each transfer of the Optioned Interests as described thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts substantially consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;
- 3.2 Party B and Party C have obtained any and all approvals and consents from the competent government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.
- 3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
- 3.4 Party B has the legal and complete title to the equity interests held by it in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest or encumbrances on such equity interests;
- 3.5 Party C is a limited liability company duly organized and validly existing under the laws of the PRC. Party C has the legal and complete title to all of the assets used in connection with its business operation, and has not placed any security interest on the aforementioned assets;

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- 3.6 Party C does not have any outstanding debts, except for (i) debt incurred during the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.
- 3.7 Party C has complied with all PRC laws and regulations in material aspects; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

**4. Effective Date and Term**

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

**5. Governing Law and Resolution of Disputes**

**5.1 Governing Law**

The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of the PRC.

**5.2 Methods of Resolution of Disputes**

In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

**6. Taxes and Fees**

Each Party shall pay any and all transfer and registration taxes, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.



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**7. Notices**

- 7.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 7.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below;
- 7.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 7.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 7.2 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms of this Section.

**8. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

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**9. Further Warranties**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

**10. Breach of Agreement**

10.1 If Party B or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B or Party C (as the case may be). Party A is entitled to require Party B or Party C to rectify or take remedial measures. If within ten (10) days after Party A delivers a written notice to Party B or Party C and requires for rectification (or within any other reasonable period required by Party A), Party B or Party C (as the case may be) fails to rectify or take remedial measures, Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of Party B or Party C (as the case may be) under this Agreement and require Party B or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.

10.2 Party B or Party C shall not terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**11. Miscellaneous**

11.1 Amendments, changes and supplements

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

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#### 11.4 Severability

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

#### 11.5 Successors

The terms of this Agreement shall be binding on the Parties hereto and their respective successors, heirs (including who inherited the Optioned Interests) and permitted assigns, and shall be valid with respect to the Parties and each of their successors, heirs and permitted assigns.

#### 11.6 Survival

11.6.1 Any obligations that occurred or that are due in connection with this Agreement before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

#### 11.7 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

#### 11.8 Language

This Agreement is written in English language in three copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Party B: Bin LI**

By: /s/ Bin Li

**Party C: Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

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## Exclusive Option Agreement

This Exclusive Option Agreement (this “Agreement”) is executed by and among the following Parties as of April 19, 2018 in Shanghai, the People’s Republic of China (“China” or the “PRC”):

**Party A: NIO Co., Ltd.**

Address: Room 115, No. 569 Anchi Road, Anting Town, Jiading District, Shanghai

**Party B: Lihong QIN (a Chinese citizen with Identification No.: \*\*\*\*\*)**

**Party C: Beijing NIO Network Technology Co., Ltd.**

Address: Room 112, Beijing Yuxiangqing Hotel, No. 23 Courtyard, Babaozhuang, Haidian District, Beijing

In this Agreement, each of Party A, Party B and Party C shall be hereinafter referred to as a “Party” individually, and as the “Parties” collectively.

Whereas:

1. Party B is the shareholder of Party C and as of the date hereof hold 20% of the equity interests of Party C, representing RMB 2,000,000 in the registered capital of Party C.
2. Party A and Party B executed a Loan Agreement (“Loan Agreement”) on April 19, 2018, according to which Party A agreed to provide to Party B a loan in the amount of RMB 2,000,000 for the purpose as designated in the Loan Agreement.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

### **1. Sale and Purchase of Equity Interest**

#### **1.1 Option Granted**

Party B hereby irrevocably and unconditionally grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a “Designee”) to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A’s sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the “Equity Interest Purchase Option”). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term “person” as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

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## 1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's decision to exercise the Equity Interest Purchase Option, and the name of the Designee(s) if any; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for the transfer of the Optioned Interests.

## 1.3 Equity Interest Purchase Price

### Optioned Interests

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

## 1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the Optioned Interests by Party B to Party A and/or the Designee(s) and waiving any right of first refusal with respect thereto;
- 1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 Party B shall, within thirty (30) days after receipt of the Equity Interest Purchase Option Notice, execute all necessary contracts, agreements or documents with relevant parties, obtain all necessary government approvals and permits, and complete all necessary registrations and filings, so as to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney; "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.; "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modification, amendment and restatement thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

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- 2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
  - 2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
  - 2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;
  - 2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;
  - 2.1.5 They shall always operate all of Party C's businesses within the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may adversely affect Party C's operating status and asset value;
  - 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business;
  - 2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;
  - 2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;
  - 2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
  - 2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;
  - 2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business, revenue or equity interest;



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- 2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
  - 2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
  - 2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.
  - 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and
  - 2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquidated without prior written consent by Party A;
  - 2.1.17 Once PRC laws permits foreign investors to invest in the principal business of Party C in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, and the competent government authorities of China begin to approve such investments, upon Party's exercise of the Equity Interest Purchase Option, Party B shall immediately transfer to Party A or the Designee(s) the equity interest in Party C held by Party B.

2.2 Covenants of Party B

Party B hereby covenants as follows:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;
- 2.2.2 Without the prior written consent of Party A, Party B shall ensure the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement, Party B's Power of Attorney and this Agreement;

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- 2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall ensure the shareholders' meeting or the directors (or the executive director) of Party C to vote in favor of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;
- 2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;
- 2.2.8 Party B gives consent to the execution by each of the other shareholders of Party C with Party A and Party C of the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, and undertakes not to take any action in conflict with such documents executed by such other shareholders; with respect to the transfer of equity interest of Party C by any of the other shareholders of Party C to Party A and/or the Designee(s) pursuant to such shareholder's exclusive option agreement, Party B hereby waives all of its right of first refusal (if any).
- 2.2.9 If Party received any profit distribution, interest, dividend or proceeds of liquidation from Party C, Party B shall promptly donate all such profit distribution, interest, dividend or proceeds of liquidation to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws; and
- 2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

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### 3. **Representations and Warranties**

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of the transfer of the Optioned Interests, that:

- 3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning each transfer of the Optioned Interests as described thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts substantially consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;
- 3.2 Party B and Party C have obtained any and all approvals and consents from the competent government authorities and third parties (if required) for the execution, delivery and performance of this Agreement.
- 3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
- 3.4 Party B has the legal and complete title to the equity interests held by it in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest or encumbrances on such equity interests;
- 3.5 Party C is a limited liability company duly organized and validly existing under the laws of the PRC. Party C has the legal and complete title to all of the assets used in connection with its business operation, and has not placed any security interest on the aforementioned assets;

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- 3.6 Party C does not have any outstanding debts, except for (i) debt incurred during the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.
  - 3.7 Party C has complied with all PRC laws and regulations in material aspects; and
  - 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

**4. Effective Date and Term**

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

**5. Governing Law and Resolution of Disputes**

**5.1 Governing Law**

The execution, effectiveness, interpretation, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of the PRC.

**5.2 Methods of Resolution of Disputes**

In the event of any dispute with respect to the interpretation and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute, either Party may submit the relevant dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration, in accordance with the arbitration rules of such arbitration commission effective at that time. The place of the hearing of the arbitration shall be Shanghai. The arbitration award shall be final and binding on both Parties.

**6. Taxes and Fees**

Each Party shall pay any and all transfer and registration taxes, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

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**7. Notices**

- 7.1 All notices and other communications required to be given pursuant to this Agreement or otherwise given in connection with this Agreement shall be delivered personally, or sent by registered mail, prepaid postage, a commercial courier service, facsimile transmission or email to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 7.1.1 Notices given by personal delivery shall be deemed effectively given on the date of receipt at the address set forth below, or the date on which such notices are placed at the address set forth below;
- 7.1.2 Notices given by courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt, refusal or return for any reason at the address set forth below;
- 7.1.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission to the Fax no. set forth below (as evidenced by an automatically generated confirmation of transmission). Notices given by email shall be deemed effectively given on the date of successful transmission, provided that the sending Party has received a system message indicating successful transmission or has not received a system message within 24 hours indicating failure of delivery or return of email.
- 7.2 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms of this Section.

**8. Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

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**9. Further Warranties**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

**10. Breach of Agreement**

10.1 If Party B or Party C materially breaches any provision under this Agreement, or fails to perform, performs incompletely or delays to perform any obligation under this Agreement, it shall constitute a breach under this Agreement on the part of Party B or Party C (as the case may be). Party A is entitled to require Party B or Party C to rectify or take remedial measures. If within ten (10) days after Party A delivers a written notice to Party B or Party C and requires for rectification (or within any other reasonable period required by Party A), Party B or Party C (as the case may be) fails to rectify or take remedial measures, Party A is entitled to, at its sole discretion, (1) terminate this Agreement and require Party B or Party C (as the case may be) to compensate all the losses; or (2) require specific performance of the obligations of Party B or Party C (as the case may be) under this Agreement and require Party B or Party C (as the case may be) to compensate all the losses. This Section shall not prejudice any other rights of Party A under this Agreement.

10.2 Party B or Party C shall not terminate this Agreement unilaterally in any event unless otherwise required by the applicable laws.

**11. Miscellaneous**

11.1 Amendments, changes and supplements

Any amendment, change and supplement to this Agreement shall be made in writing by all of the Parties. Any amendment agreement and supplementary agreement duly executed by the Parties hereto with regard to this Agreement shall constitute an integral part of this Agreement, and shall have equal legal validity as this Agreement.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

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#### 11.4 Severability

In the event that one or several of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

#### 11.5 Successors

The terms of this Agreement shall be binding on the Parties hereto and their respective successors, heirs (including who inherited the Optioned Interests) and permitted assigns, and shall be valid with respect to the Parties and each of their successors, heirs and permitted assigns.

#### 11.6 Survival

11.6.1 Any obligations that occurred or that are due in connection with this Agreement before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

#### 11.7 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

#### 11.8 Language

This Agreement is written in English language in three copies, each Party having one copy.

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

**Party A: NIO Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative

**Party B: Lihong QIN**

By: /s/ Lihong Qin

**Party C: Beijing NIO Network Technology Co., Ltd.**

By: /s/ Lihong Qin  
Name: Lihong QIN  
Title: Legal Representative



## List of Significant Subsidiaries and Variable Interest Entities

<b><u>Subsidiaries</u></b>	<b><u>Place of Incorporation</u></b>
NIO USA, Inc.	United States
XPT Inc.	United States
NIO NEXTEV (UK) LTD	United Kingdom
NIO GmbH	Germany
NIO Nextev Limited	Hong Kong
XPT Limited	Hong Kong
NIO User Enterprise Limited	Hong Kong
NIO Power Express Limited	Hong Kong
XPT Technology Limited	Hong Kong
NIO SPORT LIMITED	Hong Kong
NIO Co., Ltd.	People's Republic of China
Shanghai NIO New Energy Automobile Co., Ltd.	People's Republic of China
Shanghai NIO Sales and Services Co., Ltd.	People's Republic of China
XPT (Jiangsu) Investment Co., Ltd.	People's Republic of China
Shanghai XPT Technology Limited	People's Republic of China
NIO Energy Investment (Hubei) Co., Ltd.	People's Republic of China
Shanghai NIO Energy Technology Co., Ltd.	People's Republic of China
Wuhan NIO Energy Co., Ltd.	People's Republic of China
XPT (Nanjing) E-Powertrain Technology Co., Ltd.	People's Republic of China
XPT (Nanjing) Energy Storage System Co., Ltd.	People's Republic of China
XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd.	People's Republic of China
NIO Technology Co., Ltd.	People's Republic of China
XPT (Jiangsu) Automotive Technology Co., Ltd.	People's Republic of China
<b><u>Variable Interest Entities</u></b>	<b><u>Place of Incorporation</u></b>
Beijing NIO Network Technology Co., Ltd.	People's Republic of China
Shanghai Anbin Technology Co., Ltd.	People's Republic of China

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of NIO Inc. of our report dated April 27, 2018, except for the presentation of the consolidated statements of cash flows as described in note 2(g), which is as of June 7, 2018, relating to the financial statements of NIO Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People’s Republic of China  
August 13, 2018

July 31, 2018

**NIO Inc.**

Building 20  
No. 56 AnTuo Road  
Jiading District  
Shanghai, 201804  
People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name in the Registration Statement on Form F-1 (the "Registration Statement") of NIO Inc. (the "Company"), and any amendments thereto, which indicate that I have accepted the nomination to become a director of the Company. I further agree that immediately upon the effectiveness of the Company's Registration Statement, I will serve as a member of the board of directors of the Company.

Sincerely yours,

/s/ Denny Lee

\_\_\_\_\_  
Name: Denny Lee

## NIO INC.

## CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of NIO INC. on August 10, 2018, effective upon the effectiveness of its registration statement on Form F-1 relating to its initial public offering)

**I. PURPOSE**

This Code of Business Conduct and Ethics (the “**Code**”) contains general guidelines for conducting the business of NIO Inc. and its subsidiaries and affiliates (collectively, the “**Company**”) consistent with the highest standards of business ethics, and is intended to qualify as a “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, the Company adheres to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the “**SEC**”) and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

**II. APPLICABILITY**

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an “**employee**” and collectively, the “**employees**”). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, other chief officers, senior financial officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a “**senior officer**,” and collectively, the “**senior officers**”).

The Board of Directors of NIO Inc. (the “**Board**”) has appointed the General Counsel of NIO Inc., Fang Liu, as the Compliance Officer for the Company (the “**Compliance Officer**”). If you have any questions regarding the Code or would like to report any violation of the Code, please contact Fang Liu by phone call at +86 (21) 69082277 immediately.

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### III. CONFLICTS OF INTEREST

#### *Identifying Conflicts of Interest*

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following are considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.
- Corporate Opportunity. No employee may use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in his/her individual capacity.
- Financial Interests.
  - (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;
  - (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;
  - (iii) An employee may hold less than 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to 5% or more, the employee must immediately report such ownership to the Compliance Officer;
  - (iv) Unless pre-approved by the Compliance Officer, no employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and
  - (v) Notwithstanding the other provisions of this Code,
    - (a) a director or any family member of such director (collectively, "**Director Affiliates**") or a senior officer or any family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:

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(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and may not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

For purposes of this Code, a company or other entity is deemed to be “in competition with the Company” if it competes with the Company’s express delivery services, transportation and courier services, and any other business in which the Company engages in.

- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.
- Service on Boards and Committees. No employee may serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee’s service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

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- Is the action to be taken legal?
  - Is it honest and fair?
  - Is it in the best interests of the Company?

#### ***Disclosure of Conflicts of Interest***

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the applicable stock exchange.

#### ***Family Members and Work***

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees are required to report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, parents, children and siblings, whether by blood, marriage or adoption or anyone residing in such employee's home.

#### **IV. GIFTS, MEALS AND ENTERTAINMENT**

All employees are required to comply with the anti-corruption compliance policy of the Company regarding gifts, meals and entertainment.

#### **V. PROTECTION AND USE OF COMPANY ASSETS**

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee is required to:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;

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- Promptly report any actual or suspected theft, damage or misuse of Company property;
  - Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
  - Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

## **VI. INTELLECTUAL PROPERTY AND CONFIDENTIALITY**

Employees shall abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company are the property of the Company.
- Employees shall maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee may not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor may an employee use such confidential information outside the course of his/her duties to the Company.



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- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.
  - An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.
  - Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

## **VII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS**

The Company is required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and are required to promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;
- Transactions that do not seem to have an obvious business purpose; and
- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. These individuals are required to report any practice or situation that might undermine this objective to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

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- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);
  - not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
  - not withdrawing an issued report when withdrawal is warranted under the circumstances; or
  - not communicating matters as required to the Company's Audit Committee.

#### **VIII. COMPANY RECORDS**

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

#### **IX. COMPLIANCE WITH LAWS AND REGULATIONS**

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patent, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

#### **X. DISCRIMINATION AND HARASSMENT**

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

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## **XI. FAIR DEALING**

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

## **XII. HEALTH AND SAFETY**

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, free of any influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

## **XIII. VIOLATIONS OF THE CODE**

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

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#### **XIV. WAIVERS OF THE CODE**

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the applicable stock exchange.

#### **XV. CONCLUSION**

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. The Company expects all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. The prohibited conduct will subject the employee to disciplinary action, including termination of employment.

\* \* \* \* \*

# 漢坤律師事務所

HAN KUN LAW OFFICES

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北京 Beijing • 上海 Shanghai • 深圳 Shenzhen • 香港 Hong Kong

[www.hankunlaw.com](http://www.hankunlaw.com)

August 13, 2018

To: NIO INC. (the “Company”)

20 Building, No. 56 AnTuo Road,  
AnTing Town,  
JiaDing District, Shanghai  
The People’s Republic of China

Dear Sirs,

We are qualified lawyers of the People’s Republic of China (the “PRC” or “China”, and for the purpose of this opinion only, the PRC shall not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) and as such are qualified to issue this opinion on the laws and regulations of the PRC effective as of the date hereof.

We act as the PRC counsel to the Company in connection with (i) the proposed initial public offering (the “Offering”) of American depositary shares (the “ADSs”), each representing a certain number of Class A ordinary shares of the Company, par value US\$ 0.00025 per share (the “Ordinary Shares”), as set forth in the Company’s registration statement on Form F-1, including all amendments and supplements thereto (the “Registration Statement”), filed by the Company with the Securities and Exchange Commission under the U.S. Securities Act of 1933 (as amended) in relation to the Offering, and (ii) the Company’s proposed listing of the ADSs on the New York Stock Exchange.

## A. Documents and Assumptions

In rendering this opinion, we have examined originals or copies of the due diligence documents and other materials provided to us by the Company and the PRC Companies (as defined below), and such other documents, corporate records and certificates issued by the relevant Governmental Agencies in the PRC (collectively, the “Documents”).

In rendering this opinion, we have assumed without independent investigation that (the “Assumptions”):

- (i) all signatures, seals and chops are genuine, each signature on behalf of a party thereto is that of a person duly authorized by such party to execute the same, all Documents submitted to us as originals are authentic, and all Documents submitted to us as certified or photostatic copies conform to the originals;

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**CONFIDENTIALITY.** This document contains confidential information which may also be privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute it. If you have received it in error, please advise Han Kun Law Offices immediately by telephone or facsimile and return it promptly by mail. Thanks.

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- (ii) each of the parties to the Documents, other than the PRC Companies, is duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation, and has full power and authority to execute, deliver and perform its obligations under the Documents to which it is a party in accordance with the laws of its jurisdiction of organization;
- (iii) the Documents presented to us remain in full force and effect on the date of this opinion and have not been revoked, amended or supplemented, and no amendments, revisions, supplements, modifications or other changes have been made, and no revocation or termination has occurred, with respect to any of the Documents after they were submitted to us for the purposes of this legal opinion;
- (iv) the laws of jurisdictions other than the PRC which may be applicable to the execution, delivery, performance or enforcement of the Documents are complied with; and
- (v) all requested Documents have been provided to us and all factual statements made to us by the Company and the PRC Companies in connection with this legal opinion are true, correct and complete.

## **B. Definitions**

In addition to the terms defined in the context of this opinion, the following capitalized terms used in this opinion shall have the meanings ascribed to them as follows.

**“Governmental Agency”**

means any national, provincial or local governmental, regulatory or administrative authority, agency or commission in the PRC, or any court, tribunal or any other judicial or arbitral body in the PRC, or any body exercising, or entitled to exercise, any administrative, judicial, legislative, police, regulatory, or taxing authority or power of similar nature in the PRC.

**“Governmental Authorization”**

means any license, approval, consent, waiver, order, sanction, certificate, authorization, filing, declaration, disclosure, registration, exemption, permission, endorsement, annual inspection, clearance, qualification, permit or license by, from or with any Governmental Agency pursuant to any PRC Laws.

**“M&A Rules”**

means the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which was issued by six PRC regulatory agencies, namely, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (the “CSRC”), and the State Administration for Foreign Exchange, on August 8, 2006 and became effective on September 8, 2006, as amended by the Ministry of Commerce on June 22, 2009.

“ <u>PRC Companies</u> ”	mean, collectively, all entities listed on Appendix A hereto, and each, a “PRC Company”.
“ <u>PRC Laws</u> ”	mean all applicable national, provincial and local laws, regulations, rules, notices, orders, decrees and supreme court judicial interpretations in the PRC currently in effect and publicly available on the date of this opinion.
“ <u>Prospectus</u> ”	means the prospectus, including all amendments or supplements thereto, that forms part of the Registration Statement.

### C. Opinions

Based on our review of the Documents and subject to the Assumptions and the Qualifications, we are of the opinion that:

- (1) *Corporate Structure*. Based on our understanding of the current PRC Laws, (a) the ownership structure of the PRC Companies, both currently and immediately after giving effect to this Offering, will not result in any violation of PRC laws or regulations currently in effect; (b) the contractual arrangements among NIO Co., Ltd. (上海蔚来汽车有限公司), Shanghai Anbin Technology Co., Ltd. (上海安斌科技有限公司) and its shareholders (“Shanghai Anbin VIE Agreement”), and the contractual arrangements among NIO Co., Ltd. (上海蔚来汽车有限公司), Beijing NIO Network Technology Co. Ltd. (北京蔚来网络科技有限公司) and its shareholders, each as described in the Registration Statement under the caption “Corporate History and Structure” (“Beijing NIO VIE Agreement”, together with Shanghai Anbin VIE Agreement, collectively the “VIE Agreements”) governed by PRC law, both currently and immediately after giving effect to this Offering, are valid, binding and enforceable, and will not result in any violation of (i) PRC laws or regulations currently in effect, or (ii) any violation of the business license, articles of association, approval certificate or other constitutional documents (if any) of the PRC Companies; (c) each of the parties to the VIE Agreement has full power, authority and legal right to enter into, execute, deliver and perform his/its obligations in respect of the VIE Agreements to which it is a party, and has duly authorized, executed and delivered each of the VIE Agreements which it is a party; and (d) no Governmental Authorizations are required under PRC Laws in connection with the due execution, delivery or performance of each of the VIE Agreements other than those already obtained or required for the exercise of the call options under the VIE Agreements and the foreclosure of the pledge under the VIE Agreements. To the best of our knowledge after due enquiry, none of the PRC Companies is in material breach or default in the performance or observance of any of the terms or provisions of the VIE Agreements to which it is a party. However, there are substantial uncertainties regarding the interpretation and application of current PRC Laws, and there can be no assurance that the PRC government will ultimately take a view that is consistent with our opinion stated above.

- (2) M&A Rule. Based on our understanding of the explicit provisions of the PRC Laws as of the date hereof, given that (a) the CSRC currently has not issued any definitive rule or interpretation concerning whether the Offerings are subject to the M&A Rules; (b) the Company established the NIO Co., Ltd. (上海蔚来汽车有限公司), Shanghai NIO Sales and Services Co., Ltd. (上海蔚来汽车销售服务有限公司), NIO Energy Investment (Hubei) Co., Ltd. (蔚来能源投资(湖北)有限公司) and XPT (Jiangsu) Investment Co., Ltd. (蔚然(江苏)投资有限公司), as foreign-invested enterprises by means of direct investment and not through a merger or acquisition of the equity or assets of a “PRC domestic company” as such term is defined under the M&A Rule, and (c) no provision in the M&A Rules classifies the contractual arrangements among NIO Co., Ltd. (上海蔚来汽车有限公司), Shanghai Anbin Technology Co., Ltd. (上海安斌科技有限公司) and its shareholders, and the contractual arrangements among NIO Co., Ltd. (上海蔚来汽车有限公司), Beijing NIO Network Technology Co. Ltd. (北京蔚来网络科技有限公司) and its shareholders as a type of acquisition transaction falling under the M&A Rule. We are of the opinion that, the issue and sale of the Ordinary Shares and listing and trading of the ADSs on the New York Stock Exchange, does not require the Company to obtain any prior approval from CSRC. However, there are substantial uncertainties as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and our opinions stated above are subject to any new PRC Laws or detailed implementations and interpretations in any form relating to the M&A Rules, and there can be no assurance that the Governmental Agencies will ultimately take a view that is consistent with our opinion stated above.
- (3) Enforceability of Civil Procedures. There is uncertainty as to whether the courts of China would (a) recognize or enforce judgments of United States courts obtained against the Company or directors or officers of the Company predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or (b) entertain original actions brought in each respective jurisdiction against the Company or directors or officers of the Company. The recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against a company or its directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands.



- (4) Taxation. The statements made in the Registration Statement under the caption “Taxation—People’s Republic of China Taxation,” with respect to the PRC tax laws and regulations, constitute true and accurate descriptions of the matters described therein in all material aspects.
- (5) Statement in the Prospectus. All statements set forth in the Prospectus under the captions “Prospectus Summary”, “Risk Factors”, “Use of Proceeds”, “Dividend Policy”, “Enforceability of Civil Liabilities”, “Corporate History and Structure”, “Business”, “Regulations”, and “Taxation—People’s Republic of China Taxation”, in each case insofar as such statements describe or summarize PRC legal or regulatory matters, are true and accurate in all material aspects, and are fairly disclosed and correctly set forth therein, and nothing has been omitted from such statements which would make the same misleading in any material aspects.

Our opinion expressed above is subject to the following qualifications (the “Qualifications”):

- (a) Our opinion is limited to the PRC laws of general application on the date hereof. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than the PRC.
- (b) The PRC laws and regulations referred to herein are laws and regulations publicly available and currently in force on the date hereof and there is no guarantee that any of such laws and regulations, or the interpretation or enforcement thereof, will not be changed, amended or revoked in the future with or without retrospective effect.
- (c) Our opinion is subject to the effects of (i) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interest, social ethics, national security, good faith, fair dealing, and applicable statutes of limitation, (ii) any circumstance in connection with formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable, fraudulent, coercive or concealing illegal intentions with a lawful form, (iii) judicial discretion with respect to the availability of specific performance, injunctive relief, remedies or defenses, or calculation of damages, and (iv) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in the PRC.
- (d) This opinion is issued based on our understanding of the current PRC Laws. For matters not explicitly provided under the current PRC Laws, the interpretation, implementation and application of the specific requirements under PRC Laws are subject to the final discretion of competent PRC legislative, administrative and judicial authorities, and there can be no assurance that the Government Agencies will ultimately take a view that is not contrary to our opinion stated above.

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- (e) We may rely, as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates and confirmations of responsible officers of the PRC Companies and PRC government officials.
- (f) This opinion is intended to be used in the context which is specifically referred to herein.
- (g) We have not undertaken any independent investigation to ascertain the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Company and the PRC Companies or the rendering of this opinion.
- (h) This opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be looked at as a whole and no part should be extracted and referred to independently.

We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to the Registration Statement, and to the reference to our name in such Registration Statement.

Yours faithfully,

/s/ Han Kun

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**Appendix A**

**List of PRC Companies**

**Name of PRC Companies**

1. NIO Co., Ltd. (上海蔚来汽车有限公司)
2. NIO Technology Co., Ltd. (上海蔚来科技有限公司)
3. Shanghai NIO New Energy Automobile Co., Ltd. (上海蔚来新能源汽车有限公司)
4. NIO Energy Investment (Hubei) Co., Ltd. (蔚来能源投资（湖北）有限公司)
5. Shanghai NIO Sales and Services Co., Ltd. (上海蔚来汽车销售服务有限公司)
6. XPT (Jiangsu) Investment Co., Ltd. (蔚然（江苏）投资有限公司)
7. Shanghai Anbin Technology Co., Ltd. (上海安斌科技有限公司)
8. Beijing NIO Network Technology Co. Ltd. (北京蔚来网络科技有限公司)

[Frost & Sullivan Letterhead]

August 13, 2018

**NIO Inc.**

Building 20  
No. 56 AnTuo Road  
Jiading District  
Shanghai, 201804  
People's Republic of China

**Re: NIO Inc.**

Ladies and Gentlemen,

We understand that NIO Inc. (the "Company") plans to file a registration statement on Form F-1 (the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") in connection with its proposed initial public offering (the "Proposed IPO").

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto (collectively, the "Reports"), and any subsequent amendments to the Reports, as well as the citation of our research reports and amendments thereto, in the Registration Statement and any amendments thereto, in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F or Form 6-K or other SEC filings (collectively, the "SEC Filings"), on the websites of the Company and its subsidiaries and affiliates, in institutional and retail road shows and other activities in connection with the Proposed IPO, and in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

Yours faithfully,  
For and on behalf of

**Frost & Sullivan International Limited**

/s/ Yves Wang

Name: Yves Wang  
Title: Managing Director