

APPENDIX DATED 13 APRIL 2016

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This appendix (the “**Appendix**”) is circulated to the shareholders of QT Vascular Ltd. (the “**Company**”), together with the Company’s annual report for the financial year ended 31 December 2015 (the “**Annual Report**”). The Notice of the Annual General Meeting and the accompanying Proxy Form are enclosed with the Annual Report.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). The Sponsor has not verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

QTVascular

QT VASCULAR LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 201305911K)

APPENDIX

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE;
- (2) THE PROPOSED ISSUANCE OF EXCHANGEABLE BONDS BY QUATTRO VASCULAR PTE. LTD. TO LUMINOR PACIFIC FUND 2 LTD DUE 2017/2018 WITH AN AGGREGATE PRINCIPAL AMOUNT OF US\$1.86 MILLION EXCHANGEABLE INTO EXCHANGE SHARES (AS DEFINED HEREIN) AT THE EXCHANGE PRICE (AS DEFINED HEREIN);
- (3) THE PROPOSED PARTICIPATION OF MR MARK ALLEN WAN, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME (AS DEFINED HEREIN);
- (4) THE PROPOSED GRANT OF OPTIONS TO MR MARK ALLEN WAN, A CONTROLLING SHAREHOLDER OF THE COMPANY, UNDER THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME (AS DEFINED HEREIN); AND
- (5) THE PROPOSED AMENDMENTS TO THE RULES OF THE 2014 EMPLOYEE SHARE OPTION SCHEME (AS DEFINED HEREIN)

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DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout unless otherwise required or unless otherwise stated:

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| “2005 Stock Plan” | : | The TriReme US share option plan |
| “2010 Equity Incentive Plan” | : | The Quattro Vascular share option plan |
| “2014 QTV Employee Share Option Scheme” or “Scheme” | : | The employee share option scheme adopted by the Company on 9 April 2014 |
| “ACRA” | : | Accounting & Corporate Regulatory Authority of Singapore |
| “Act” | : | The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time |
| “AGM” | : | The annual general meeting of the Company to be held on 28 April 2016 |
| “AngioScore” | : | AngioScore, Inc. |
| “Annual Report” | : | The Company’s annual report for the financial year ended 31 December 2015 |
| “Appendix” | : | This appendix to Shareholders dated 13 April 2016 |
| “Associate” | : | <p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–</p> <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. <p>(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p> |
| “BMSIF” | : | Biomedical Sciences Investment Fund Pte Ltd |
| “Bio*One Capital” | : | Bio*One Capital Pte Ltd |
| “Board” | : | The board of Directors of the Company as at the date of this Appendix |

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| “Business Day” | : | A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore |
| “Catalist” | : | The sponsor-supervised listing platform of the SGX-ST |
| “Catalist Rules” | : | The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Closing Date” | : | 3 business days from the date on which all condition precedents specified in the Exchangeable Bonds Agreement are satisfied |
| “Company” or “QTV” | : | QT Vascular Ltd. |
| “Constitution” | : | The Constitution (formerly the Memorandum and Articles of Association) of the Company, as amended or modified from time to time |
| “Controlling Shareholder” | : | A person who:- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company |
| “Directors” | : | The directors of the Company as at the date of this Appendix |
| “EDB” | : | Economic Development Board of Singapore |
| “EDB Investments” | : | EDB Investments Pte Ltd |
| “EDBI” | : | EDBI Pte Ltd |
| “Exchangeable Bonds” | : | 8.0% exchangeable bonds with US\$1.86 million principal amount due in 2017/2018, exchangeable into 20,053,125 Shares to be issued pursuant to the Exchangeable Bonds Agreement |
| “Exchangeable Bonds Agreement” | : | The exchangeable bonds subscription agreement dated 27 January 2016 entered into between the Company and Luminor Pacific Fund 2, pursuant to which the Company’s wholly-owned subsidiary, Quattro Vascular has agreed to issue and Luminor Pacific has agreed to subscribe for the Exchangeable Bonds |
| “Exchange Price” | : | Has the meaning as ascribed to it in paragraph 3.3 of this Appendix |
| “Exchange Shares” | : | Up to 20,053,125 new Shares to be issued upon exchange of the Exchangeable Bonds |
| “Existing Share Capital” | : | The existing issued and paid-up share capital of the Company of 926,550,237 Shares |
| “FY” | : | Financial year ended or ending 31 December |
| “Group” | : | The Company and its subsidiaries |

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| “Latest Practicable Date” | : | 1 April 2016, being the latest practicable date prior to the printing of this Appendix |
| “Listing” | : | The admission of the Company to the Catalist and the quotation of the Shares on Catalist on 29 April 2014 |
| “LPS” | : | Loss per Share |
| “Luminor Capital” | : | Luminor Capital Pte. Ltd. |
| “Luminor Pacific Fund 1” | : | Luminor Pacific Fund 1 Ltd |
| “Luminor Pacific Fund 2” | : | Luminor Pacific Fund 2 Ltd |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Memorandum” | : | The memorandum of association of the Company |
| “NAV” | : | Net asset value |
| “Notice of AGM” | : | The notice of AGM as set out on pages 97 to 106 of the Annual Report |
| “NTA” | : | Net tangible asset |
| “NTL” | : | Net tangible liability |
| “Options” | : | The right to subscribe for Shares granted or to be granted pursuant to the 2014 QTV Employee Share Option Scheme |
| “Ordinary Resolutions” | : | The ordinary resolutions as set out in the Notice of AGM |
| “Proposed Amendments” | : | The proposed amendments to the rules of the 2014 QTV Employee Share Option Scheme as set out in paragraph 6 of this Appendix |
| “Proposed Grant of Options” | : | The proposed grant of Options to Mr Mark Allen Wan, a Controlling Shareholder of the Company, under the 2014 QTV Employee Share Option Scheme |
| “Proposed Issuance of Exchangeable Bonds” | : | The proposed issuance of Exchangeable Bonds by Quattro Vascular to Luminor Pacific Fund 2 on the terms and conditions of the Exchangeable Bonds Agreement |
| “Proposed Participation” | : | The proposed participation of Mr Mark Allen Wan, a Controlling Shareholder of the Company, in the 2014 QTV Employee Share Option Scheme |
| “QTV 2013 Share Plan” | : | The share option plan adopted by the Board following the completion of steps 1 to 7 of the Restructuring Exercise |
| “Quattro Vascular” | : | Quattro Vascular Pte. Ltd., the Company’s wholly-owned subsidiary |

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| “Relevant Period” | : | The period commencing from the date on which the ordinary resolution relating to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting |
| “Restructuring Exercise” | : | Collectively, steps 1 to 10 of the section entitled “Restructuring Exercise and Additional Capitalisation” of the Company’s offer document dated 16 April 2014 |
| “Securities and Futures Act” | : | The Securities and Futures Act, Chapter 289 of Singapore |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “Shareholders” | : | Registered holders of the Shares in the Register of Shareholders of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited |
| “Share Buy-Back Mandate” | : | The general and unconditional mandate given by Shareholders at the AGM to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Act and the Catalist Rules |
| “SIC” | : | Securities Industry Council of Singapore |
| “Sponsor” or “PPCF” | : | PrimePartners Corporate Finance Pte. Ltd. |
| “Substantial Shareholder” | : | A Shareholder who holds directly or indirectly 5% or more of the total issued share capital of the Company |
| “Take-over Code” | : | The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time |
| “Three Arch Partners” | : | Three Arch Partners IV, L.P. |
| “Three Arch Associates” | : | Three Arch Associates IV, L.P. |
| “Three Share Plans” | : | Collectively, the 2005 Stock Plan, the 2010 Equity Incentive Plan and the QTV 2013 Share Plan |
| “Treasury Shares” | : | Shares purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate and held by the Company in accordance with Section 76H of the Act |

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| “TriReme US” | : | TriReme Medical, LLC, a Delaware limited liability company and its predecessor TriReme Medical, Inc., a Delaware corporation |
| “S\$” | : | Singapore dollars |
| “US\$” | : | United States dollar |
| “%” | : | Per centum or percentage |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, the Securities and Futures Act and the Catalist Rules or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Act, the Securities and Futures Act and the Catalist Rules or modification as the case may be.

Any reference in this Appendix to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancy with the tables in this Appendix between the listed amounts and the totals thereof is due to rounding.

Exchange Rates

Unless otherwise stated, the exchange rate between US\$ and S\$ was US\$1 to S\$1.3495 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the US\$ amounts could have been, or could be, converted into Singapore dollars at the rate stated, or at all, and *vice versa*.

QT VASCULAR LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 201305911K)

Board of Directors:

Toe Teow Heng (*Non-Executive Chairman*)
Eitan Konstantino (*Chief Executive Officer*)
Mark Allen Wan (*Non-Independent Non-Executive Director*)
Robert Michael Kleine (*Lead Independent Director*)
Gregory David Casciaro (*Independent Director*)
Sho Kian Hin (*Independent Director*)
Gary Ng Sin Tong (*Executive Director*)

Registered Office:

3A International Business Park
#09-10/11/12 ICON @ IBP Tower B
Singapore 609935

13 April 2016

To: The Shareholders of QT Vascular Ltd.

Dear Sir/Madam

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE;**
 - (2) **THE PROPOSED ISSUANCE OF EXCHANGEABLE BONDS TO LUMINOR PACIFIC FUND 2;**
 - (3) **THE PROPOSED PARTICIPATION BY MR MARK ALLEN WAN, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME;**
 - (4) **THE PROPOSED GRANT OF OPTIONS TO MR MARK ALLEN WAN, A CONTROLLING SHAREHOLDER OF THE COMPANY, UNDER THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME; AND**
 - (5) **THE PROPOSED AMENDMENTS TO THE RULES OF THE 2014 EMPLOYEE SHARE OPTION SCHEME**
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1. INTRODUCTION

The Directors propose to table, for Shareholders' consideration and approval, the following:

- (1) the Proposed Renewal of the Share Buy-back Mandate
- (2) the Proposed Issuance of Exchangeable Bonds;
- (3) the Proposed Participation of Mr Mark Allen Wan, a Controlling Shareholder of the Company, in the 2014 QTV Employee Share Option Scheme;
- (4) the Proposed Grant of Options to Mr Mark Allen Wan, of a Controlling Shareholder of the Company, under the 2014 QTV Employee Share Option Scheme; and
- (5) the Proposed Amendments,

(collectively, the "**Proposals**").

The resolutions pertaining to the Proposals are as set out in the notice of AGM on pages 97 to 103 of the Annual Report. Save for the Proposed Grant of Options (ordinary resolution 15 of the Notice of AGM) which is contingent upon the passing of the Proposed Participation (ordinary resolution 15 of the Notice of AGM) but not *vice versa*, the Proposals are not interconditional with each other.

The purpose of this Appendix is to provide Shareholders with information relating to the Proposals, details of which are set out in Paragraphs 2, 3, 4, 5 and 6 of this Appendix, and to seek Shareholders' approval in relation thereto at the AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 The Existing Share Buy-back Mandate

At the annual general meeting of the Company held on 30 April 2015, Shareholders had approved the adoption of the Share Buy-back Mandate to enable the Company to purchase or otherwise acquire Shares. As the Share Buy-back Mandate will expire on the date of the forthcoming AGM, the Directors propose that the Share Buy-back Mandate be renewed at the AGM.

2.2 Background

The Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Company's Constitution. Article 50(2) of the Company's Constitution expressly permits the Company to purchase its issued Shares. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Act and the Catalist Rules, in particular Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares, and such other laws and regulations as may for the time being be applicable.

It is a requirement under the Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the AGM at which the proposed renewal of the Share Buy-Back Mandate will be approved ("**Approval Date**") and continue to be in force for the duration of the Relevant Period, which is until the earlier of the date on which the next annual general meeting of the Company is held or is required by law to be held, (whereupon it will lapse, unless renewed at such meeting), the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is varied or revoked by the Company in a general meeting. Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

2.3 Rationale for the Share Buyback Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and the Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share. Share buy-backs also help the Company to mitigate short term market volatility, offset the effects of short term speculation and bolster Shareholder's confidence.

Pursuant to the Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as Treasury Shares. The existing Shares purchased by the Company under the Share Buy-Back Mandate, if held as Treasury Shares, may be used for the

purposes set out in paragraph 2.6(iii) of this Appendix, which include but is not limited to the transfer of Treasury Shares to participants of the Scheme pursuant to the exercise of Options granted under the Scheme.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchases via on-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost effective and efficient approach.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company or the Group and when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders.

2.4 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:-

(i) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 926,550,237 Shares, and assuming no further Shares are issued on or prior to the AGM, no more than 92,655,023 Shares representing ten per cent. (10%) of the issued and paid-up share capital of the Company as at the date of the AGM may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

(ii) Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:-

- (a) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting of the Company is required to be held;
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting.

(iii) Manner of purchase of Shares

Purchases or acquisitions of Shares may be made by way of:-

- (a) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Act.
- (c) The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules and the Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Pursuant to the Act, an Off-Market Purchase must satisfy all of the following conditions:–
 - (1) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
 - (2) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
 - (3) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:–

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous twelve (12) months (whether by way of Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(iii) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the Maximum Price (as defined hereinafter) which is:–

- (a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, ten per cent. (10%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price

(which shall not be more than the Maximum Price (as defined hereinafter) calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

2.5 Status of Purchased Share

A Share purchased or otherwise acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.6 Treasury Shares

Under the Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Act are summarised below:–

(i) Maximum holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as the Registrar of Companies may allow.

(ii) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision of any Treasury Shares into Treasury Shares of a larger amount, or a consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(iii) Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time:–

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to an employees' share scheme of the Company;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in, or assets of, another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

Under the Catalyst Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**Usage**"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of shares before and after the Usage, the percentage of the number of treasury shares comprised in the Usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage and the value of the treasury shares comprised in the Usage.

2.7 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such ordinary resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

2.8 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. As stated in the Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Act, the Company is solvent if at the date of the payment made by the Company in consideration of acquiring any right with respect to the purchase or acquisition of its own shares:-

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if —
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment;
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

2.9 Financial Effects

Under the Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including brokerage,

commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares) comprises 926,550,237 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 92,655,023 Shares.

It is not possible for the Company to realistically calculate or quantify the financial impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

For illustrative purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2015 are based on the following assumptions:–

- (a) based on 926,550,237 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares will result in the purchase or acquisition of 92,655,023 Shares;
- (b) assuming that the Company obtains theoretical external borrowings of S\$13.5 million (equivalent to approximately US\$10.0 million) prior to the On-Market and Off-Market Purchases so that the cash and cash equivalents remains positive;
- (c) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 92,655,023 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.113 for one Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$10.5 million (equivalent to approximately US\$7.8 million); and
- (d) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 92,655,023 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.119 for one Share which is ten per cent. (10%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$11.0 million (equivalent to approximately US\$8.2 million).

For illustrative purposes only and on the basis of the assumptions set out in (a), (b), (c) and (d) above, the financial effects of the:–

- (i) purchase or acquisition of 92,655,023 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 92,655,023 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2015 are set out as follows:–

Scenario 1: Purchases made entirely out of capital and cancelled

| | Group | | | Company | | |
|--|-----------------------------|-----------------------------------|------------------------------------|-----------------------------|-----------------------------------|------------------------------------|
| | Before Share Buy-Back | After Share Market Purchase | Buy-Back Off-Market Purchase | Before Share Buy-Back | After Share Market Purchase | Buy-Back Off-Market Purchase |
| | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) |
| As at 31 December 2015 | | | | | | |
| Share capital | 139,202 | 131,444 | 131,032 | 139,202 | 131,444 | 131,032 |
| Accumulated losses | (153,797) | (153,797) | (153,797) | (41,097) | (41,097) | (41,097) |
| Reserves | 909 | 909 | 909 | (37,084) | (37,084) | (37,084) |
| Shareholders' equity | (13,686) | (21,444) | (21,856) | 61,021 | 53,263 | 52,851 |
| Intangible assets | 12,861 | 12,861 | 12,861 | 40 | 40 | 40 |
| (NTL)/NTA | (26,547) | (34,305) | (34,717) | 60,981 | 53,223 | 52,811 |
| Current assets | 13,430 | 15,672 | 15,260 | 2,476 | 4,718 | 4,306 |
| Current liabilities | 37,402 | 37,402 | 37,402 | 28,054 | 28,054 | 28,054 |
| Working capital | (23,972) | (21,730) | (22,142) | (25,578) | (23,336) | (23,748) |
| Total borrowings | 3,477 | 13,477 | 13,477 | 3,470 | 13,470 | 13,470 |
| Cash and cash equivalents | 3,850 | 6,092 | 5,680 | 2,474 | 4,716 | 4,304 |
| Total issued number of Shares ('000) | 926,550 | 833,895 | 833,895 | 926,550 | 833,895 | 833,895 |
| Weighted average number of Shares | 779,230 | 686,575 | 686,575 | 779,230 | 686,575 | 686,575 |
| Total comprehensive income | (52,303) | (52,303) | (52,303) | (25,167) | (25,167) | (25,167) |
| Loss attributable to owners of the parent | (53,050) | (53,050) | (53,050) | (25,167) | (25,167) | (25,167) |
| Financial Ratios | | | | | | |
| (NTL)/NTA per Share ⁽¹⁾ (cents) | (0.03) | (0.04) | (0.04) | 0.07 | 0.06 | 0.06 |
| Gearing ratio ⁽²⁾ (times) | (0.25) | (0.63) | (0.62) | 0.06 | 0.25 | 0.25 |
| Current ratio (times) | 0.36 | 0.42 | 0.41 | 0.09 | 0.17 | 0.15 |
| LPS ⁽³⁾ (cents) | (0.07) | (0.08) | (0.08) | (0.03) | (0.04) | (0.04) |

Notes:

- (1) (NTL)/NTA per Share equals to (NTL) / NTA divided by the number of Shares outstanding (excluding Treasury Shares) as at 31 December 2015.
- (2) Gearing ratio represents total borrowings divided by shareholders' equity.
- (3) LPS is calculated based on loss attributable to owners of the parent and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) for FY2015.

Scenario 2: Purchases made entirely out of capital and held as Treasury Shares

| | Group | | | Company | | |
|--|-----------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
| | Before Share Buy-Back | After Share Buy-Back | Off-Market Purchase | Before Share Buy-Back | After Share Buy-Back | Off-Market Purchase |
| | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) | US\$ ('000) |
| As at 31 December 2015 | | | | | | |
| Share capital | 139,202 | 139,202 | 139,202 | 139,202 | 139,202 | 139,202 |
| Accumulated losses | (153,797) | (153,797) | (153,797) | (41,097) | (41,097) | (41,097) |
| Reserves | 909 | 909 | 909 | (37,084) | (37,084) | (37,084) |
| Treasury shares | - | 7,758 | 8,170 | - | 7,758 | 8,170 |
| Shareholders' equity | (13,686) | (5,928) | (5,516) | 61,021 | 68,779 | 69,191 |
| Intangible assets | 12,861 | 12,861 | 12,861 | 40 | 40 | 40 |
| (NTL)/NTA | (26,547) | (18,789) | (18,377) | 60,981 | 68,739 | 69,151 |
| Current assets | 13,430 | 15,672 | 15,260 | 2,476 | 4,718 | 4,306 |
| Current liabilities | 37,402 | 37,402 | 37,402 | 28,054 | 28,054 | 28,054 |
| Working capital | (23,972) | (21,730) | (22,142) | (25,578) | (23,336) | (23,748) |
| Total borrowings | 3,477 | 13,477 | 13,477 | 3,470 | 13,470 | 13,470 |
| Cash and cash equivalents | 3,850 | 6,092 | 5,680 | 2,474 | 4,716 | 4,304 |
| Total issued number of Shares ('000) | 926,550 | 926,550 | 926,550 | 926,550 | 926,550 | 926,550 |
| Weighted average number of Shares | 779,230 | 779,230 | 779,230 | 779,230 | 779,230 | 779,230 |
| Total comprehensive income | (52,303) | (52,303) | (52,303) | (25,167) | (25,167) | (25,167) |
| Loss attributable to owners of the parent | (53,050) | (53,050) | (53,050) | (25,167) | (25,167) | (25,167) |
| Financial Ratios | | | | | | |
| (NTL)/NTA per Share ⁽¹⁾ (cents) | (0.03) | (0.02) | (0.02) | 0.07 | 0.07 | 0.07 |
| Gearing ratio ⁽²⁾ (times) | (0.25) | (2.27) | (2.44) | 0.06 | 0.20 | 0.19 |
| Current ratio (times) | 0.36 | 0.42 | 0.41 | 0.09 | 0.17 | 0.15 |
| LPS ⁽³⁾ (cents) | (0.07) | (0.07) | (0.07) | (0.03) | (0.03) | (0.03) |

Notes:

- (1) (NTL)/NTA per Share equals to (NTL)/NTA divided by the number of Shares outstanding (excluding Treasury Shares) as at 31 December 2015.
- (2) Gearing ratio represents total borrowings divided by shareholders' equity.
- (3) LPS is calculated based on loss attributable to owners of the parent and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) for FY2015.

Based on the audited financial statements of the Company and the Group for FY2015, the Company and the Group has no distributable profits to effect any buy-back of its Shares from the market. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Appendix.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2015, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.10 Take-over implications arising from share buy-backs

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(i) Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer. In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

(ii) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:–

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status; and
- (c) an individual with his close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

(iii) Effect of Rule 14 and Appendix 2

Appendix 2 of the Take-over Code contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buy-Back Mandate.

(iv) Advice to Shareholders

Shareholders are advised to consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

(v) Interests of Directors and Substantial Shareholders

Assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders, based on the Register of Directors' Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders before and after the purchase of Shares were/will be as follows:–

| | Before Share Buy-Back | | Before Share Buy-Back | After Share Buy-Back |
|--|-----------------------|-----------------|-----------------------|----------------------|
| | Direct Interest | Deemed Interest | | |
| | No. of Shares | No. of Shares | % ⁽¹⁾ | % ⁽²⁾ |
| Directors | | | | |
| Toe Teow Heng | 16,171,875 | - | 1.75% | 1.94% |
| Dr Eitan Konstantino | 15,355,736 | - | 1.66% | 1.84% |
| Mark Allen Wan ⁽³⁾ | - | 157,284,444 | 16.98% | 18.86% |
| Gregory David Casciaro | - | - | - | - |
| Robert Michael Kleine | - | - | - | - |
| Sho Kian Hin | - | - | - | - |
| Gary Ng Sin Tong | 150,000 | - | 0.02% | 0.02% |
| | | | | |
| Substantial Shareholders (other than Directors) | | | | |
| Three Arch Partners ⁽⁴⁾ | 153,887,339 | - | 16.61% | 18.45% |
| Three Arch Management ⁽⁵⁾ | - | 157,284,444 | 16.98% | 18.86% |
| Luminor Pacific Fund 1 ⁽⁶⁾ | 102,120,176 | - | 11.02% | 12.25% |
| Luminor Capital ⁽⁶⁾ | - | 109,033,936 | 11.77% | 13.08% |
| BMSIF ⁽⁷⁾ | 66,596,116 | - | 7.19% | 7.99% |
| EDB Investments ⁽⁷⁾ | - | 66,596,116 | 7.19% | 7.99% |
| Bio*One Capital ⁽⁷⁾ | - | 66,596,116 | 7.19% | 7.99% |
| EDBI ⁽⁷⁾ | - | 66,596,116 | 7.19% | 7.99% |
| EDB ⁽⁷⁾ | - | 66,596,116 | 7.19% | 7.99% |

Notes:

- (1) The percentages in the table are calculated based on 926,550,237 Shares as at the Latest Practicable Date.
- (2) The percentages in the table are calculated based on 833,895,214 Shares, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company.
- (3) Mark Allen Wan is a managing member of Three Arch Management, the general partner of Three Arch Partners and Three Arch Associates and is deemed to have share voting and dispositive power over the shares held by Three Arch Partners and Three Arch Associates. Accordingly, Mark Allen Wan is deemed interested in 153,887,339 Shares held by Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (4) 3,457,000 Shares are held in the name of UOB Kay Hian Pte Ltd and 150,430,339 Shares are held in the name of Citibank Nominees Singapore Pte Ltd.
- (5) Three Arch Management is the general partner of Three Arch Partners and Three Arch Associates. Accordingly, Three Arch Management is deemed interested in 153,887,339 Shares held Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (6) Luminor Capital is the investment manager of Luminor Pacific Fund 1 and Luminor Pacific Fund 2. Accordingly, Luminor Capital is deemed interested in the 102,120,176 Shares held by Luminor Pacific Fund 1 and the 6,913,760 Shares held by Luminor Pacific Fund 2.
- (7) BMSIF is a wholly-owned subsidiary of EDB Investments. Bio*One Capital is the fund manager of BMSIF and is wholly-owned by EDBI. EDB Investments and EDBI are in turn wholly-owned by EDB. Accordingly, EDB Investments, Bio*One Capital, EDBI and EDB are deemed interested in 66,596,116 Shares held by BMSIF.

Based on the information set out above and assuming that there is no change in the shareholding interests of the Directors and Substantial Shareholders as set out above since the Latest Practicable Date, none of the Directors and Substantial Shareholders referred to above is expected to incur an obligation to make a general offer to other Shareholders under the Take-over Code, in the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate. There are also no persons acting in concert with each other under the Take-over Code.

2.11 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares are in the hands of the public. The term “public”, as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (ii) the Associates of persons in (i).

As at the Latest Practicable Date, approximately 560,990,482 issued Shares were held by the public, representing approximately 60.55% of the total number of issued Shares. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 92,655,023 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 468,335,459 Shares, representing approximately 56.16% of the remaining issued Shares of the Company.

Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.12 Shares purchased by the Company

The Company has not made any Share purchases in the last twelve (12) months preceding the date of this Appendix.

2.13 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks immediately preceding the announcement of the Company’s financial results for each of the first three quarters of its financial year and one (1) month immediately preceding the announcement of the Company’s full-year results and ending on the date of announcement of the relevant results.

2.14 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.

3. THE PROPOSED ISSUANCE OF EXCHANGEABLE BONDS

3.1 Background

Pursuant to the Exchangeable Bonds Agreement dated 27 January 2016, the Company via Quattro Vascular, has agreed to issue, and Luminor Pacific Fund 2 has agreed to subscribe for US\$1.86 million principal amount of 8.0% Exchangeable Bonds due in 2017/2018, exchangeable into 20,053,125 Shares.

Luminor Pacific Fund 2 is managed by Luminor Capital which is also the investment manager of Luminor Pacific Fund 1. As of the Latest Practicable Date, Luminor Pacific Fund 2, together with Luminor Pacific Fund 1 and Luminor Capital, currently own 11.77% of the share capital of the Company on a deemed basis.

As such, Luminor Pacific Fund 2 is considered a person falling under Rule 812(1) of the Catalyst Rules. Pursuant to Rule 812(1) and Rule 812(2) of the Catalyst Rules, the issuance of the Exchangeable Bonds to Luminor Pacific Fund 2 is subject to Shareholders' approval at the AGM, as set out in ordinary resolution 13 of the Notice of AGM.

3.2 Information on Luminor Pacific Fund 2

Luminor Pacific Fund 2 is a company incorporated in Singapore with its registered address at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624. Luminor Pacific Fund 2 is an investment holding company for assets contributed by its investors who are mainly international high net worth individuals. Luminor Pacific Fund 2's investment strategy is sector-aligned with a focus in healthcare and resources and is managed by Luminor Capital.

Luminor Pacific Fund 2 was introduced to the Exchangeable Bonds by the Company's Executive Director and Director of Strategy & Capital Markets, Mr Gary Ng Sin Tong. No commission or other payment was or will be made by the Company to Mr Gary Ng Sin Tong for introducing Luminor Pacific Fund 2 to subscribe for the Exchangeable Bonds.

Luminor Pacific Fund 2's subscription of the Exchangeable Bonds is for investment purposes only, and it has no intention of influencing management of, or exercising control over, the Company. Accordingly, Luminor Pacific Fund 2 is not intending to acquire additional shares in the Company such that its shareholding in the Company upon exchange of the Exchangeable Bonds will reach 15% or more of the enlarged issued and paid-up share capital of the Company.

3.3 Exchange Price

At any time from the Closing Date, the Exchangeable Bonds may be exchanged (in its entirety or in part), at the option of Luminor Pacific Fund 2, based on the currency exchange rate of S\$1.38 to US\$1.00, into new Shares at a fixed exchange price of S\$0.128 ("**Exchange Price**"), subject to adjustments in the event of any variation to the share capital of the Company.

The Exchange Price was commercially agreed between the Company and Luminor Pacific Fund 2 and represents a premium of 35.88% to the weighted average price of S\$0.0942 per Share, for trades done on the SGX-ST on 27 January 2016 (being the full market day on which the Exchangeable Bonds subscription agreement was signed).

3.4 The Exchangeable Bonds and the Exchange Shares

3.4.1 Status of the Exchangeable Bonds

The Exchangeable Bonds, when issued, will constitute direct, unconditional and unsubordinated obligations of Quattro Vascular. The Exchangeable Bonds will at all times rank *pari passu* without any preference among themselves and at all times ranking at least equally with all other present unconditional and unsubordinated obligations of Quattro Vascular other than those preferred by statute or applicable law.

Subject to compliance with applicable laws and regulations, in the event of liquidation, the Exchangeable Bonds, when issued, shall rank *pari passu* with any future similar convertible securities and other similar debt instruments which may be issued by Quattro Vascular subsequent to the issuance of the Exchangeable Bonds and Luminor Pacific Fund 2 can elect to exchange its non-exchanged Exchangeable Bonds into Exchange Shares in accordance with the terms and conditions of the Exchangeable Bonds Agreement so as to enjoy the rights as a Shareholder would have.

For the avoidance of doubt, the Exchangeable Bonds will not be listed.

3.4.2 Status of the Exchange Shares

The Exchange Shares, when issued, will be valid, fully-paid, free from any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right, or interest, other encumbrance or security interest of any kind or any type of agreement or arrangement having similar effect and shall rank *pari passu* in all respects with all other Shares then in issue, except (for the avoidance of doubt) for any dividends, rights, allotments or other distributions, the record date for which is before the relevant exchange date of the Exchangeable Bonds.

The Exchangeable Shares represent:

- (a) 2.16% of the issued and paid-up share capital of 926,550,237 Shares as at the Latest Practicable Date (“**Existing Share Capital**”);
- (b) 2.12% of the enlarged issued and paid-up share capital of 946,603,362 Shares (“**Enlarged Share Capital**”), assuming the exchange of all Exchangeable Bonds into Exchange Shares (“**Full Exchange**”);
- (c) 2.04% of the enlarged issued and paid-up share capital of 984,768,984 Shares (“**Maximum Enlarged Share Capital**”), assuming (i) Full Exchange; (ii) conversion of all outstanding convertible bonds into 34,931,247 Shares by the subscribers pursuant to the convertible bonds agreement dated 24 July 2015 (“**July 2015 CB**”); and (iii) conversion all of outstanding convertible bonds into 3,234,375 Shares by subscribers pursuant to the convertible bonds agreement dated 27 January 2016 (“**27 Jan CB**”).

Based on the Latest Practicable Date, the changes in shareholding interests of the Company’s Directors and Substantial Shareholders, assuming Full Exchange by Luminor Pacific Fund 2 are as set out below:

| | No. of Shares held as at Latest Practicable Date | As a percentage of the Existing Share Capital | Total no. of Shares held assuming Full Exchange | As a percentage of the Enlarged Share Capital | As a percentage of the Maximum Enlarged Share Capital |
|--|--|---|---|---|---|
| Directors | | | | | |
| Toe Teow Heng | 16,171,875 | 1.75% | 16,175,875 | 1.71% | 2.30% ⁽⁶⁾ |
| Dr Eitan Konstantino | 15,355,736 | 1.66% | 15,355,736 | 1.62% | 1.56% |
| Mark Allen Wan ⁽¹⁾ | 157,284,444 | 16.98% | 157,284,444 | 16.62% | 15.97% |
| Gregory David Casciaro | - | - | - | - | - |
| Robert Michael Kleine | - | - | - | - | - |
| Sho Kian Hin | - | - | - | - | - |
| Gary Ng Sin Tong | 150,000 | 0.02% | 150,000 | 0.02% | 0.02% |
| | | | | | |
| Substantial Shareholders (other than Directors) | | | | | |
| Three Arch Partners ⁽²⁾ | 153,887,339 | 16.61% | 153,887,339 | 16.26% | 15.63% |
| Three Arch Management ⁽³⁾ | 157,284,444 | 16.98% | 157,284,444 | 16.62% | 15.97% |

| | No. of Shares held as at Latest Practicable Date | As a percentage of the Existing Share Capital | Total no. of Shares held assuming Full Exchange | As a percentage of the Enlarged Share Capital | As a percentage of the Maximum Enlarged Share Capital |
|---------------------------------------|--|---|---|---|---|
| Luminor Pacific Fund 1 ⁽⁴⁾ | 102,120,176 | 11.02% | 102,120,176 | 10.79% | 10.37% |
| Luminor Capital ⁽⁴⁾ | 109,033,936 | 11.77% | 129,087,061 | 13.64% | 13.11% |
| BMSIF ⁽⁵⁾ | 66,596,116 | 7.19% | 66,596,116 | 7.04% | 6.76% |
| EDB Investments ⁽⁵⁾ | 66,596,116 | 7.19% | 66,596,116 | 7.04% | 6.76% |
| Bio*One Capital ⁽⁵⁾ | 66,596,116 | 7.19% | 66,596,116 | 7.04% | 6.76% |
| EDBI ⁽⁵⁾ | 66,596,116 | 7.19% | 66,596,116 | 7.04% | 6.76% |
| EDB ⁽⁵⁾ | 66,596,116 | 7.19% | 66,596,116 | 7.04% | 6.76% |

Notes:

- (1) Mark Allen Wan is a managing member of Three Arch Management, the general partner of Three Arch Partners and Three Arch Associates and is deemed to have share voting and dispositive power over the shares held by Three Arch Partners and Three Arch Associates. Accordingly, Mark Allen Wan is deemed interested in 153,887,339 Shares held by Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (2) 3,457,000 shares are held in the name of UOB Kay Hian Pte Ltd and 150,430,339 shares are held in the name of Citibank Nominees Singapore Pte Ltd.
- (3) Three Arch Management is the general partner of Three Arch Partners and Three Arch Associates. Accordingly, Three Arch Management is deemed interested in 153,887,339 Shares held Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (4) Luminor Capital is the investment manager of Luminor Pacific Fund 1 and Luminor Pacific Fund 2. Accordingly, Luminor Capital is deemed interested in the 102,120,176 Shares held by Luminor Pacific Fund 1 and the 6,913,760 Shares held by Luminor Pacific Fund 2.
- (5) BMSIF is a wholly-owned subsidiary of EDB Investments. Bio*One Capital is the fund manager of BMSIF and is wholly-owned by EDBI. EDB Investments and EDBI are in turn wholly-owned by EDB. Accordingly, EDB Investments, Bio*One Capital, EDBI and EDB are deemed interested in 66,596,116 Shares held by BMSIF.
- (6) Based on the assumption that of all outstanding July 2015 CB held by Toe Teow Heng as at the Latest Practicable Date are converted into 6,468,750 Shares.

The exchange of the Exchangeable Bonds will not result in any transfer of controlling interest in the company.

3.5 Salient Terms and Conditions of the Exchangeable Bonds Agreement

3.5.1 Conditions Precedent

The obligation of Luminor Pacific Fund 2 to subscribe and pay for the Exchangeable Bonds, is subject to the following conditions precedent:

- (a) at the Closing Date (i) all the representations and warranties of the Company set forth in the Exchangeable Bonds Agreement shall be accurate and correct and not misleading in all respects at, and as if made on, the Closing Date; (ii) the Company shall have performed all of its undertakings or obligations hereunder required to be performed by it on or before the Closing Date;
- (b) Luminor Pacific Fund 2 being reasonably satisfied that, on the Closing Date, there is no material adverse change occurring in the prospects, results of operations or financial conditions of the Company, or the Group taken as a whole;
- (c) the approval of Shareholders at an extraordinary general meeting of the Company to be convened;
- (d) the approval of the SGX-ST for the listing and quotation of the Exchange Shares on the SGX-ST and all other consents, approvals and authorisations having been obtained by the Company and the same continuing to be in full force and effect; and

- (e) the execution of security documents on terms to be agreed between the Luminor Pacific Fund 2 and the Company in respect of specified patents of the Group, to secure the exchangeable bond obligations. For the avoidance of doubt, in the event of any enforcement of such security, Luminor Pacific Fund 2 will only be entitled to recover the amounts owing to them under the Exchangeable Bonds and not any excess thereof.

The Company had on 24 February 2016 received a listing and quotation notice from the SGX-ST (“**L&Q Notice**”) for the listing and quotation of up to 65,334,375 new Shares (“**New Shares**”), comprising 20,053,125 Exchange Shares and 45,281,250 conversion Shares (“**Conversion Shares**”) to be issued and allotted upon conversion of the Exchangeable Bonds and 27 Jan CB respectively, at a fixed conversion price of S\$0.128, based on the currency exchange rate of S\$1.38 to US\$1.00.

The L&Q Notice is not an indication of the merits of the New Shares, Luminor Pacific Fund 2, the subscribers of the 27 Jan CB, the Exchangeable Bonds, 27 Jan Bonds, the Company, its subsidiaries and their securities.

Within 3 Business Days from the Closing Date, Luminor Pacific Fund 2 will subscribe for, and Quattro Vascular will issue the Exchangeable Bonds at an issue price of 100.0% of the principal amount of the Exchangeable Bonds, being US\$1.86 million (“**Issue Price**”).

3.5.2 Maturity Date

The maturity date of the Exchangeable Bonds is twelve (12) months from the Closing Date of the Exchangeable Bonds, and is extendable by another six (6) calendar months if agreed in writing by Luminor Pacific Fund 2 (“**Maturity Date**”).

3.5.3 Interest

The Exchangeable Bonds bear interest from its Closing Date at the rate of 8.0% per annum, due and payable every six (6) months in arrears. Interest will cease to be payable on the Exchangeable Bonds in the event they are exchanged into Exchange Shares.

3.5.4 Payment on Maturity

On Maturity Date, and irrespective of whether Luminor Pacific Fund 2 has exchanged their Exchangeable Bonds into Exchange Shares, Quattro Vascular will pay to Luminor Pacific Fund 2, an amount equivalent to the principal amount of the Exchangeable Bonds subscribed by Luminor Pacific Fund 2. Such amount will not be payable by Quattro Vascular where Luminor Pacific Fund 2 has already received or is entitled to receive the payments in a Qualifying Exit Event (as defined below).

3.5.5 Right of First Refusal

During the term of the Exchangeable Bonds, Luminor Pacific Fund 2 shall be offered the right of first refusal to arrange and participate in any new issuance of similar debt convertible securities and other similar debt instruments.

3.5.6 Qualifying Exit Event

A “**Qualifying Exit Event**” shall mean any of the following events, provided that cumulatively such events involve an aggregate transaction size that equals to or is more than S\$75,000,000 (“**S\$75m QEE Threshold**”) and occur prior to the Maturity Date:

- (a) entry by the Company into legally binding agreements for the sale of the Company and/or all or any of its subsidiaries; or
- (b) entry by the Company into legally binding agreements for the sale of a major asset or business of the Group.

In the event of completion of a Qualifying Exit Event, the fulfillment of the S\$75m QEE Threshold, and the Company receiving full proceeds on completion of such Qualifying Exit Event, the Company will pay to Luminor Pacific Fund 2 an amount equivalent to two (2) times of the principal amount of the Exchangeable Bonds subscribed by Luminor Pacific Fund 2, irrespective of whether Luminor Pacific Fund 2 has exchanged the Exchangeable Bonds into Exchange Shares prior thereto.

3.6 Adjustments of the Exchange Price

In the event that the Company varies its share capital due the occurrence of certain events, the Exchange Price shall be adjusted. Further details on the list of adjustment events and details of the adjustment formulae are set out in Schedule A of this Appendix.

3.7 Adjustment and Modification

In compliance with Rules 829 and 830 of the Catalist Rules, the Company will:

- (a) announce any adjustment made to the Exchange Price and, where appropriate, the number of the Exchangeable Bonds, in the event of rights, bonus or other capitalisation issues;
- (b) announce the date of maturity of the Exchangeable Bonds and send a notice of the maturity to Luminor Pacific Fund 2 at least one (1) month before the Maturity Date; and
- (c) obtain Shareholders' approval for any material alteration to the conditions of the Exchangeable Bonds Agreement after the issuance of the Exchangeable Bonds which is to the advantage of Luminor Pacific Fund 2, except where the alterations are made pursuant to the terms and conditions of the Exchangeable Bonds Agreement.

3.8 Rationale for the Proposed Issuance of Exchangeable Bonds and Use of Proceeds

The issuance of the Exchangeable Bonds is intended to raise additional funding to strengthen the financial position of the Group and allow the Group to have more resources to develop its Drug Coated Chocolate® platform and to advance its strategic plans including partnership opportunities.

The terms of the Exchangeable Bonds Agreement is similar to the terms (including the Payment on Maturity Terms) of the 24 July 2015 CB, both of which were commercially agreed between the Company and/or Quattro Vascular, a wholly owned subsidiary of the Company (whichever is applicable), and their respective investors. Such terms of the Exchangeable Bonds are necessary to attract investors to invest in the Company's Exchangeable Bonds in light of (i) the current market conditions; (ii) the timing required to ensure that the Group's working capital financing needs are met; and (iii) the ongoing AngioScore Litigation (as defined below). The Board is of the opinion that the terms of the Exchangeable Bonds are commercially reasonable in terms of fund raising costs and potential short-term dilution to existing Shareholders when compared to the various other fund raising options that are currently available to the Company.

Based on the audited consolidated financial statements of the Group for FY2015, the Group had a positive net cash balance of US\$3.85 million and negative working capital of US\$23.97 million as at 31 December 2015.

As at 31 December 2015, following the damages awarded in relation to the litigation with AngioScore ("**AngioScore Litigation**") against (i) the Company, (ii) the Company's subsidiaries, TriReme US and Quattro Vascular and (iii) the Company's Chief Executive Officer, Dr. Eitan Konstantino, in the judgement on the breach of fiduciary duty ("**State Law claims**"), the Company and the Group had recognised a provision for legal liability of US\$23.4 million. The final sum to be borne by the Company and the Group will be determined at the conclusion of the appeal on the State Law claims judgement which is currently on-going. With the exclusion of the legal liability provision, the Group's audited negative working capital as at 31 December 2015 would be US\$2.2 million.

After deducting expenses of approximately US\$0.05 million to be incurred by the Company in connection with the issuance of the Exchangeable Bonds, the net proceeds from the Exchangeable Bonds ("**Net Proceeds**") will be approximately US\$1.81 million. US\$1.36 million is intended to be utilised for general working capital purposes to finance the operations of the Group and to advance the Group's strategic plans including partnership opportunities, while the remaining US\$0.45 million of the Net Proceeds are intended to be utilised for research and development purpose.

The Net Proceeds may also be applied, where deemed necessary by the Company, towards payment of litigation costs and expenses incurred by the Group in connection with the ongoing AngioScore Litigation, provided that no Net Proceeds shall be utilised for the payment of any final damages (if) awarded to AngioScore by a court of final judgement, if the AngioScore Litigation shall eventually be determined adversely against the Group.

Pending the deployment of the Net Proceeds for the purposes mentioned above, they will be placed as deposits with financial institutions.

As at 31 March 2016, the Company has utilised US\$10.85 million (out of the net proceeds of US\$13.04 million from the July 2015 CB) for research and development as well as working capital purposes. The use of proceeds is in accordance with their intended use.

As at 31 March 2016, the Company has utilised US\$0.87 million (out of the net proceeds of US\$4.15 million from the 27 Jan CB) for research and development as well as working capital purposes. The use of proceeds is in accordance with their intended use.

The Company will make announcements as to the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where there is a material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the proceeds for working capital.

3.9 No Prospectus or Offer Information Statement

The issuance of the Exchangeable Bonds is undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

3.10 Confirmation by Directors

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the Net Proceeds and the proceeds from both the 27 Jan CB and third tranche of the July 2015 CB received in FY2016, the working capital available to the Group is sufficient to meet its present requirements.

3.11 Financial Effects of the Proposed Issuance of Exchangeable Bonds

The financial effects of the Proposed Issuance of Exchangeable Bonds on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Issuance of Exchangeable Bonds and assuming Full Exchange. The financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2015 and on the following key assumptions:

- (a) the effect of the Proposed Issuance of Exchangeable Bonds and Full Exchange on the loss per Share of the Group shown below is based on the assumption that Proposed Issuance of Exchangeable Bonds and Full Exchange had been effected on 1 January 2015;

- (b) the effect of the Proposed Issuance of Exchangeable Bonds and Full Exchange on the NTA per Share of the Group shown below is based on the assumption that the Proposed Issuance of Exchangeable Bonds and Full Exchange had been effected as at 31 December 2015; and
- (c) the issuances (i) 1,858,800 Shares pursuant to the vesting of share awards under the QT Vascular Restricted Share Plan on 4 January 2016; (ii) 19,765,626 Shares converted from the July 2015 CB on 20 January 2016, 1 February 2016 and 22 March 2016; (iii) 42,046,875 Shares converted from the 27 Jan CB on 22 March 2016; and (iv) 391,671 Shares pursuant to the exercise of the options under the Three Share Plans, had all been issued on 1 January 2015:

3.9.1 Net Tangible Liability

| | Before the Proposed Issuance of Exchangeable Bonds and Full Exchange | After the Proposed Issuance of Exchangeable Bonds and Full Exchange |
|--------------------------------|---|--|
| NTL (US\$'000) | (26,547) | (24,687) |
| Number of issued Shares ('000) | 926,550 | 946,603 |
| NTL per Share (US cents) | (0.03) | (0.03) |

3.9.2 Loss per Share

| | Before the Proposed Issuance of Exchangeable Bonds and Full Exchange | After the Proposed Issuance of Exchangeable Bonds and Full Exchange |
|--|---|--|
| Loss after tax attributable to Shareholders (US\$'000) | (53,050) | (53,050) |
| Weighted average number of issued Shares ('000) | 882,824 | 902,877 |
| Loss per Share (US cents) | (0.060) | (0.059) |

For the following paragraphs 4 and 5 of this Appendix, "Controlling Shareholder" used herein shall bear the definition as set out in the rules of the 2014 QTV Employee Share Option Scheme i.e. A person who exercise Control over the Company. Unless rebutted, a person who controls directly or indirectly a shareholding interest of 15% or more of the Company's issued share capital. As set out in the rules of the 2014 QTV Employee Share Option Scheme, "Control" is defined as the capacity to dominate decision making, directly or indirectly in relation to the financial and operating policies of the Company.

4. THE PROPOSED PARTICIPATION

4.1 Background

The 2014 QTV Employee Share Option Scheme is a share incentive scheme which was adopted by Shareholders on 9 April 2014 and effective upon the Listing, to provide directors and employees of the Company or its subsidiaries with an opportunity to participate in the equity of the Company, thereby motivating them towards better performance through increased dedication and loyalty. The Scheme, which forms an integral and important component of a compensation plan, is designed primarily to reward and retain employees whose services are vital to the Company's well-being and success.

4.2 Options granted

On 14 August 2015 and 2 March 2016, the Company granted an aggregate of 31,162,000 Options under the Scheme to certain Directors and employees of the Company, which includes 817,000 Options to be granted to Mr Mark Allen Wan, a Controlling Shareholder and Non-Executive Director of the Company, subject to independent Shareholders' approval being obtained in the next shareholders' meeting to be held no later than 30 April 2016.

Save for the above, the Company has not granted any options under the Scheme since the Listing.

4.3 Rationale for extension of the 2014 QTV Employee Share Option Scheme to Controlling Shareholders and Associates of Controlling Shareholders

The Company acknowledges that the services and contributions of the eligible Directors who are Controlling Shareholders or Associates of Controlling Shareholders are important to the development and success of the Group, and the extension of the Scheme to such individuals allows the Company to have a fair and equitable system for rewarding Directors who have made and continue to make important contributions to the long-term growth of the Group notwithstanding they are Controlling Shareholders or Associates of Controlling Shareholders.

Although the Controlling Shareholders and Associates of Controlling Shareholders may already have shareholding interests in the Company, the extension of the Scheme to encompass them ensures that they are equally entitled, together with other eligible Directors and employees who are not Controlling Shareholders or Associates of Controlling Shareholders, to take part and benefit from this system of remuneration. The Company is of the view that a person who could otherwise be eligible should not be excluded from participating in the Scheme solely by reason that he is a Controlling Shareholder or an Associate of a Controlling Shareholder.

4.4 Independent Shareholders' approval

Pursuant to the rules of the Scheme and Rule 852 of the Catalist Rules, persons who are Controlling Shareholders or Associates of Controlling Shareholders who satisfy the eligibility criteria of the rules of the Scheme shall be eligible to participate in the Scheme, provided that their participation and the actual number of Shares and terms of any Options to be granted to them, have been approved by the independent Shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual number of Shares and terms of any Options to be granted to him.

4.5 Rationale for Mr Mark Allen Wan's participation in the 2014 QTV Employee Share Option Scheme

Mr Mark Allen Wan is currently the Non-Executive Non-Independent Director of the Company and was first appointed to the Board of the Company on 11 July 2013. Prior to the aforementioned, he was a member of the board of directors of TriReme US, a wholly owned subsidiary of the Company, from May 2007 to July 2013. Mr Mark Allen Wan is a managing member of Three Arch Management, a healthcare focused investment firm formed in 1993 that provides young companies in the healthcare industry with access to relevant clinical and business resources, as well as capital. He has been a founder or seed investor in numerous healthcare companies including ePocrates, Inc., Odyssey Healthcare, Inc. and Perclose, Inc.. Premised on his involvement in the Group since 2007 and his extensive experience in the healthcare industry, Mr Mark Allen Wan had been instrumental in the Company's growth and achievements which led to the Company's Listing, and continues to provide valuable contributions to the long-term growth of the Group.

Participation in the 2014 QTV Employee Share Option Scheme would enable the Company to acknowledge Mr Mark Allen Wan's valuable contribution and give recognition in relation thereto. By investing further in the equity interests of the Company through the 2014 QTV Employee Share Option Scheme, Mr Mark Allen Wan will be incentivised to help the Group achieve better performance, thereby enhancing Shareholders' value.

Mr Mark Allen Wan is a managing member of Three Arch Management, the general partner of Three Arch Partners. and Three Arch Associates and is deemed to have share voting and dispositive power over the Shares held by Three Arch Partners and Three Arch Associates. Accordingly, Mr Mark Allen Wan is deemed interested in the 153,887,339 Shares held by Three Arch Partners and 3,397,105 Shares held by Three Arch Associates, which aggregates to a total interest of 157,284,444 Shares, representing approximately 16.98% of the total number of issued Shares.

As such, Mr Mark Allen Wan is a Controlling Shareholder for the purposes of the Scheme and his participation in the Scheme is subject to the approval of independent Shareholders.

5. THE PROPOSED GRANT OF OPTIONS

As announced on 23 October 2015, the proposed grant of options to Mr Mark Allen Wan, on the terms set out below, are subject to independent Shareholders' approval to be obtained at the AGM.

- i) Date of Grant : 14 August 2015
- ii) Exercise price : S\$0.095 for each Option granted
- iii) Number of Shares : 817,000 Shares (representing approximately 0.09% of the total comprised under the Options issued Shares as at the Latest Practicable Date)
- iv) Vesting period of : Between one (1) and four (4) year(s), as follows:
Options granted

One fourth (1/4th) of the share options shall vest on the one (1) year anniversary of the vesting commencement date, and an additional one forty-eight (1/48th) of the share options shall vest on the last day of each full calendar month thereafter, subject to the option holder continuing to be a service provider through each such date.
- v) Market price* of : S\$0.095 per Share on 14 August 2015
the Company's
Shares on the
date of grant

**Market price refers to the weighted average of the last-dealt price for a Share, as determined by reference to the daily Official List published by the SGX-ST for the three (3) consecutive trading days immediately preceding the date of grant of an Option.*
- vii) Validity/term of : Ten (10) years from date of grant
options granted

Under the rules of the Scheme,

- (a) The aggregate number of Shares that are subject to outstanding options (options that have not been either exercised or terminated) under the Scheme, when added to the aggregate number of Shares that are subject to outstanding options (options that have not been either exercised or terminated) under the Scheme, the QTV 2013 Share Plan, the 2010 Equity Incentive Plan and the 2005 Stock Plan (and specifically excluding the QTV Restricted Share Plan), shall not at any time exceed 18% of the number of issued Shares in the capital of the Company (excluding treasury shares); and

- (b) the aggregate number of Shares available under the Scheme to Controlling Shareholders and/or their Associates shall not exceed 25% of the Shares available under the Scheme, and the number of Shares available under the Scheme to each Controlling Shareholder and/or his Associate shall not exceed 10% of the Shares available under the Scheme.

As at the Latest Practicable Date, the Company has 926,550,237 issued Shares in the capital of the Company and 121,241,319 number of options that have been issued and continue to be outstanding (options that have not been either exercised or terminated) pursuant to the Scheme and the Three Share Plans. As such, based on the rules of the Scheme, the maximum number of Shares that may be issued pursuant to Options under the Scheme is 45,537,723 as at the Latest Practicable Date.

Accordingly, the maximum number of shares comprised in the Options that can be granted to Mr Mark Allen Wan is 4,553,772 as at the Latest Practicable Date, and the grant of 817,000 Options under the Scheme convertible into 817,000 Shares falls within the limitations on the size of the Scheme.

6. THE PROPOSED AMENDMENTS TO THE RULES OF THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME

6.1 Background

On 9 April 2014, Shareholders adopted the 2014 QTV Employee Share Option Scheme to be effective upon the Company's Listing on Catalist of SGX-ST. All outstanding options existing under the 2005 Stock Plan, 2010 Equity Incentive Plan and QTV 2013 Share Plan remain under their respective plans.

The 2014 QTV Employee Share Option Scheme provides eligible participants with an opportunity to participate in the equity of the Company, thereby motivating them towards better performance through increased dedication and loyalty. The Scheme, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain employees whose services are vital to the Company's well-being and success.

Since the adoption of the Scheme, the Company has granted 31,162,000 Options to eligible participants (of which 817,000 Options are subject to Shareholders' approval, details of which are set out in paragraph 5 of this Appendix).

6.2 Proposed Amendments

The Company is proposing the following amendments to the 2014 QTV Employee Share Option Scheme (as strikethrough, underlined and/or set in bold):

Existing Rule 2(a) on the definition of "Market Price"

"The weighted average of the last-dealt price for a Share, as determined by reference to the daily Official List published by the SGX-ST for the three (3) consecutive trading days immediately preceding the Date of Grant of an Option."

Amended Rule 2(a) on the definition of "Market Price"

"The ~~weighted average of the~~ last-dealt price for a Share, as determined by reference to the daily Official List published by the SGX-ST ~~for the three (3) consecutive on the Date of Grant of an Option (and where the Date of Grant of an Option is not a day where the Shares are traded on Catalist, the last-dealt price for a Share will be determined by reference to the daily Official List published by the SGX-ST for the~~ trading days immediately preceding the Date of Grant of an Option)."

Existing Rule 4(d)

“The Committee may, subject as provided in Rule 9, grant Options to the Participants as it may select in its absolute discretion at any time during the duration of the Scheme, provided that in the event that an announcement is made on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the second (2nd) Market Day from the date on which the aforesaid announcement is released.”

Amended Rule 4(d)

“The Committee may, subject as provided in Rule 9, grant Options to the Participants as it may select in its absolute discretion at any time during the duration of the Scheme, provided that: **(i)** in the event that an announcement ~~is made~~ on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the second (2nd) Market Day from the date on which the aforesaid announcement is released; **and (ii) in the event any Committee meeting to deliberate and approve any grant of an Option shall take place within the blackout period (which is two (2) weeks in relation to the quarterly or half-yearly financial statements or one (1) month in relation to the yearly financial statements or such other extended period as determined by the Company in accordance with the relevant rules and regulations) before the announcement of the Company’s financial statements as required under the Catalist Rules, such grant of Options shall only take effect on the second (2nd) Market Day on expiry of such relevant blackout period.**”

A copy of the amended rules of the 2014 QTV Employee Share Option Scheme is attached in Schedule B of this Appendix.

6.3 Rationale for the Proposed Amendments

The Proposed Amendments are proposed in order to align the Scheme with the requirements of US taxation provisions, which are applicable to the Group’s employees who are largely based in the US. Further, the amendment to Rule 4(d) provides better clarity on the timing for the grant of Options.

The Remuneration Committee has considered the Proposed Amendments and concurs with the rationale as set out above. The Remuneration Committee is of the opinion that the Proposed Amendments is in the interests of the Company and hence, recommends to the Board that Shareholders’ approval for the Proposed Amendments be sought at the AGM.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Based on the register of Directors' shareholdings and the register of Substantial Shareholders as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders are as follows:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|--|-----------------|------------------|-----------------|------------------|----------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Directors | | | | | | |
| Toe Teow Heng | 16,171,875 | 1.75% | - | - | 16,171,875 | 1.75% |
| Dr Eitan Konstantino | 15,355,736 | 1.66% | - | - | 15,355,736 | 1.66% |
| Mark Allen Wan ⁽²⁾ | - | - | 157,284,444 | 16.98% | 157,284,444 | 16.98% |
| Gregory David Casciaro | - | - | - | - | - | - |
| Robert Michael Kleine | - | - | - | - | - | - |
| Sho Kian Hin | - | - | - | - | - | - |
| Gary Ng Sin Tong | 150,000 | 0.02% | - | - | 150,000 | 0.02% |
| | | | | | | |
| Substantial Shareholders (other than Directors) | | | | | | |
| Three Arch Partners ⁽³⁾ | 153,887,339 | 16.61% | - | - | 153,887,339 | 16.61% |
| Three Arch Management ⁽⁴⁾ | - | - | 157,284,444 | 16.98% | 157,284,444 | 16.98% |
| Luminor Pacific Fund 1 ⁽⁵⁾ | 102,120,176 | 11.02% | - | - | 102,120,176 | 11.02% |
| Luminor Capital ⁽⁵⁾ | - | - | 109,033,936 | 11.77% | 109,033,936 | 11.77% |
| BMSIF ⁽⁶⁾ | 66,596,116 | 7.19% | - | - | 66,596,116 | 7.19% |
| EDB Investments ⁽⁶⁾ | - | - | 66,596,116 | 7.19% | 66,596,116 | 7.19% |
| Bio*One Capital ⁽⁶⁾ | - | - | 66,596,116 | 7.19% | 66,596,116 | 7.19% |
| EDBI ⁽⁶⁾ | - | - | 66,596,116 | 7.19% | 66,596,116 | 7.19% |
| EDB ⁽⁶⁾ | - | - | 66,596,116 | 7.19% | 66,596,116 | 7.19% |

Notes:

- (1) The percentages in the table are calculated based on 926,550,237 Shares as at the Latest Practicable Date.
- (2) Mark Allen Wan is a managing member of Three Arch Management, the general partner of Three Arch Partners and Three Arch Associates and is deemed to have share voting and dispositive power over the shares held by Three Arch Partners and Three Arch Associates. Accordingly, Mark Allen Wan is deemed interested in 153,887,339 Shares held by Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (3) 3,457,000 shares are held in the name of UOB Kay Hian Pte Ltd and 150,430,339 shares are held in the name of Citibank Nominees Singapore Pte Ltd.
- (4) Three Arch Management is the general partner of Three Arch Partners and Three Arch Associates. Accordingly, Three Arch Management is deemed interested in 153,887,339 Shares held Three Arch Partners and 3,397,105 Shares held by Three Arch Associates.
- (5) Luminor Capital is the investment manager of Luminor Pacific Fund 1 and Luminor Pacific Fund 2. Accordingly, Luminor Capital is deemed interested in the 102,120,176 Shares held by Luminor Pacific Fund 1 and the 6,913,760 Shares held by Luminor Pacific Fund 2.
- (6) BMSIF is a wholly-owned subsidiary of EDB Investments. Bio*One Capital is the fund manager of BMSIF and is wholly-owned by EDBI. EDB Investments and EDBI are in turn wholly-owned by EDB. Accordingly, EDB Investments, Bio*One Capital, EDBI and EDB are deemed interested in 66,596,116 Shares held by BMSIF.

8. DIRECTORS' RECOMMENDATIONS

Ordinary Resolution 12: The Proposed Renewal of the Share Buy-Back Mandate

Having fully considered the rationale set out in paragraph 2.3 of this Appendix, the Directors are of the opinion that the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 12 in respect of the Proposed Renewal of the Share Buy-Back Mandate as set out in the Notice of AGM.

Ordinary Resolution 13: The Proposed Issuance of Exchangeable Bonds by Quattro Vascular Pte. Ltd. to Luminor Pacific Fund 2

Having fully considered the rationale set out in paragraph 3.8 of this Appendix, the Directors are of the opinion that the Proposed Issuance of Exchangeable Bonds to Luminor Pacific Fund 2 is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 13 in respect of the Proposed Issuance of Exchangeable Bonds to Luminor Pacific Fund 2 as set out in the Notice of AGM.

Ordinary Resolution 14: The Proposed Participation of Mr Mark Allen Wan, a Controlling Shareholder of the Company, in the 2014 QTV Employee Share Option Scheme;

Ordinary Resolution 15: The Proposed Grant of Options to Mr Mark Allen Wan, a Controlling Shareholder of the Company, under the 2014 QTV Employee Share Option Scheme; and

Ordinary Resolution 16: The Proposed Amendments to the Rules of the 2014 QTV Employee Share Option Scheme

*As all of the Directors are eligible to participate in the 2014 QTV Employee Share Option Scheme, they are deemed to be interested in the Proposed Participation, the Proposed Grant of Options and the Proposed Amendments. Accordingly, the Directors have abstained from making any recommendation to the Shareholders in respect of Ordinary Resolutions 14, 15 and 16 as set out in the Notice of AGM.

9. ABSTENTIONS FROM VOTING

Ordinary Resolution 13: The Proposed Issuance of Exchangeable Bonds by Quattro Vascular Pte. Ltd. to Luminor Pacific Fund 2

Rule 812(2) of the Catalist Rules provides that persons falling under Rule 812(1) of the Catalist Rules and their Associates must abstain from voting on any shareholders' resolutions approving the placement to themselves.

Pursuant thereto, Luminor Pacific Fund 2 will abstain from voting, and undertakes to ensure that its Associates will abstain from voting on Ordinary Resolution 13 relating to the Proposed Issuance of Exchangeable Bonds. Further, Luminor Pacific Fund 2 undertakes to decline to accept any appointment as proxy to vote and attend at the AGM in respect of Ordinary Resolution 13 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast.

Ordinary Resolution 14: The Proposed Participation of Mr Mark Allen Wan, a Controlling Shareholder of the Company, in the 2014 QTV Employee Share Option Scheme; and

Ordinary Resolution 15: The Proposed Grant of Options to Mr Mark Allen Wan, a Controlling Shareholder of the Company, under the 2014 QTV Employee Share Option Scheme

Mr Mark Allen Wan, Three Arch Associates, Three Arch Partners and Three Arch Management will abstain from voting, and undertake to ensure that each of their Associates will abstain from voting on the Ordinary Resolutions 14 and 15 relating to the Proposed Participation and Proposed Grant of Options. Further, Mr Mark Allen Wan, Three Arch Associates, Three Arch Partners and Three Arch Management undertake to decline to accept any appointment as proxy to vote and attend the AGM in respect of the Ordinary Resolutions 14 and 15 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolutions 14 and 15 as set out in the Notice of AGM.

All Shareholders who are eligible to participate in the 2014 QTV Employee Share Option Scheme shall also abstain from voting in respect of Ordinary Resolutions 14 and 15 and shall also decline to accept any appointment as proxies for any Shareholder to vote on Ordinary Resolutions 14 and 15 as set out in the Notice of AGM unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolutions 14 and 15 as set out in the Notice of AGM.

All Directors who are eligible to participate in the 2014 QTV Employee Share Option Scheme shall also decline to accept any appointment as proxies for any Shareholder to vote on Ordinary Resolutions 14 and 15 as set out in the Notice of AGM unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolutions 14 and 15 as set out in the Notice of AGM.

Ordinary Resolution 16: The Proposed Amendments to the Rules of the 2014 QTV Employee Share Option Scheme

All Shareholders who are eligible to participate in the 2014 QTV Employee Share Option Scheme shall abstain from voting in respect of Ordinary Resolution 16 and shall also decline to accept any appointment as proxies for any Shareholder to vote on Ordinary Resolution 16 as set out in the Notice of AGM unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 16 as set out in the Notice of AGM.

All Directors who are eligible to participate in the 2014 QTV Employee Share Option Scheme shall also decline to accept any appointment as proxies for any Shareholder to vote on Ordinary Resolution 16 as set out in the Notice of AGM unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 16 as set out in the Notice of AGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Exchangeable Bonds Agreement;
- (b) the rules of the 2014 QTV Employee Share Option Scheme;
- (c) the Constitution of the Company; and
- (d) the annual report of the Company for FY2015.

Yours faithfully,
QT VASCULAR LTD.

Eitan Konstantino
Chief Executive Officer
13 April 2016

SCHEDULE A – ADJUSTMENTS TO THE EXCHANGE PRICE

SCHEDULE A

Adjustment Formula

1. In the event that the Company varies its share capital due to any of the events set forth in this **Schedule A**, the Fixed Exchange Price shall be adjusted in accordance with this **Schedule A**.

- (a) **Consolidation, Subdivision or Reclassification:** Any alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification.

If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Fixed Exchange Price shall be adjusted by multiplying the Fixed Exchange Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (b) **Capitalisation of Profits or Reserves:** The issue of Shares by the Company credited as fully paid to any persons in whose names Shares are registered ("**Shareholders**"), by way of capitalisation of profits or reserves, including a free distribution or bonus issue of Shares, other than an issue of Shares paid-up out of profits or reserves and issued in lieu of the whole or any part of a specifically declared Dividend in cash, being a Dividend which the Shareholders concerned or could otherwise have received (a "**Scrip Dividend**") but only to the extent that the Fair Market Value of such Scrip Dividend does not exceed the amount of such Dividend in cash or the relevant part thereof.

In such an event, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (c) **Dividends:** If and whenever the Company shall pay or make any Dividends to the Shareholders (except where the Fixed Exchange Price falls to be adjusted under subparagraph (b) above), the Fixed Exchange Price shall be adjusted by multiplying the Fixed Exchange Price in force immediately before such Dividend by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the Dividend is first publicly announced; and

B is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Bank, of the portion of the Dividend attributable to one Share.

Such adjustment shall become effective on the date such Dividend is made or, where a record date is set, immediately after such record date.

- (d) **Rights Issues of Shares or Options over Shares:** The issue of Shares to all or substantially all Shareholders as a class by the Company by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95.0% of the Current Market Price per Share on the date on which the final terms of such issue or grant is first publicly announced.

In such an event, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be or, where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be).

- (e) **Rights Issues of Other Securities:** The issue any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by the Company by way of rights or the grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares).

In such an event, the Exchange Price shall be adjusted by multiplying the Fixed Exchange Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the final terms of such issue or grant is first publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

- (f) **Issues at less than Current Market Price:** The issue (otherwise than as mentioned in sub-paragraph (d) above) by the Company wholly for cash of any Shares (other than Shares issued on the exercise of Exchange Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in sub-paragraph (d) above) options, warrants or other rights to subscribe or purchase Shares, in each case at a price per Share which is less than 95.0% of the Current Market Price on the date on which the final terms of such issue is first publicly announced.

In such an event, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

- (g) **Other Issues at less than Current Market Price:** Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this sub-paragraph (g), the issue wholly for cash by the Company or any Subsidiary (otherwise than as mentioned in sub-paragraphs (d), (e) or (f)), or (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 95.0% of the Current Market Price on the date on which the final terms of issue of such securities is first publicly announced.

In such an event, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A** is the number of Shares in issue immediately before such issue;
- B** is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C** is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (h) **Modification of Rights of Conversion etc.:** Any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Bonds as are mentioned in sub-paragraph (g) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95.0% of the Current Market Price on the date on which the final terms of the proposals for such modification is first publicly announced,

In such an event, the Fixed Exchange Price shall be adjusted by multiplying the Fixed Exchange Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A** is the number of Shares in issue immediately before such modification;
- B** is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as the Independent Bank considers appropriate (if at all) for any previous adjustment under this sub-paragraph (h) or sub-paragraph (g).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (i) **Other Offers to Shareholders:** The issue, sale or distribution by or on behalf of the Company or any Subsidiary (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60.0% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Fixed Exchange Price falls to be adjusted under sub-paragraphs (d), (e), (f) or (g)).

In such an event, the Fixed Exchange Price shall be adjusted by multiplying the Fixed Exchange Price in force immediately before such issue by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the final terms of such issue is first publicly announced; and

B is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Bank, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

- (j) **Other Events:** If the Company determines that an adjustment should be made to the Fixed Exchange Price as a result of one or more events or circumstances not referred to in this **Schedule A**, or the Company determines that an adjustment made pursuant to this **Schedule A** is inappropriate or incorrect, the Company shall, at its own expense, request a leading independent investment bank of international repute (acting as expert), selected by the Company (an “**Independent Bank**”) to determine as soon as practicable what adjustment (if any) to the Fixed Exchange Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Fixed Exchange Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the circumstances giving rise to any adjustment pursuant to this **Schedule 3** have already resulted or will result in an adjustment to the Exchange Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Exchange Price, such modification (if any) shall be made to the operation of the provisions of this **Schedule 3** as may be advised by an Independent Bank to be in its opinion appropriate to give the intended result.

2. For the purposes of **Schedule A**,

- (k) “**closing price**” for the Shares for any Trading Day shall be the closing market price quoted on the SGX-ST for such Trading Day.
- (l) “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the closing prices quoted on the SGX-ST for one Share (being a Share carrying full entitlement to Dividend) for the 20 consecutive Trading Days ending on such particular date. If trading on the Shares is not available for a full Trading Day on such particular date, the Current Market Price shall be based on the weighted average price for trades done up to the time of the announcement (or, if applicable, the trading halt) on such particular date.

Provided that if at any time during the said 20 Trading Days period, the Shares shall have been quoted ex-Dividend (or ex-any other entitlement) and during some other part of that period, the Shares shall have been quoted cum-Dividend (or cum-any other entitlement) then:

- (i) if the Shares to be issued in such circumstances do not rank for the Dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of first public announcement of such Dividend or entitlement; or
- (ii) if the Shares to be issued in such circumstances rank for the Dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of first public announcement of such Dividend or entitlement;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of the first public announcement of such Dividend or entitlement, and provided further that, if the closing price of a Share is not available on one or more of the said 20 Trading Days, then the average of such closing prices which are available in that 20-Trading-Day period shall be used (subject to a minimum of two such prices) and if only one, or no, closing price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Bank.

- (m) “**Dividend**” means any dividend or distribution, whether of cash, assets or other property (including a distribution of assets *in specie*), and whenever paid or made and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders or in connection with a reduction of capital (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:
 - (i) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, the, the Dividend in question shall be treated as a cash Dividend of an amount equal to the greater of (1) the cash Dividend so announced or (2) the Current Market Price on the date of announcement of such Dividend or capitalisation,

of such Shares or the Fair Market Value of other property or assets as at the date of the first public announcement of such Dividend or capitalisation to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made); and

- (ii) a purchase or redemption or buy back of capital of the Company by or on behalf of the Company (or a purchase or redemption or buy back of Shares by or on behalf of a Subsidiary of the Company) shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Shares by or on behalf of the Company or any Subsidiary of the Company, the weighted average price (before expenses) for such purchase of one Share on any one day in respect of such purchase, exceeds the average of the closing prices of the Shares by more than 5.0% either (1) on the five Trading Days immediately preceding that date, or (2) where an announcement has been made of the intention to purchase, redeem or buyback Shares at some future date at a specified price, on the five Trading Days immediately preceding the date of such announcement, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the amount of the aggregate price paid (before expenses) in respect of such Shares purchased, redeemed or bought back by the Company or as the case may be, a Subsidiary of the Company exceeds the product of (aa) 105.0% of the average of the closing prices of the Shares determined as aforesaid and (bb) the number so purchased, redeemed or bought back.
- (n) **“Fair Market Value”** means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Bank, provided that (i) the Fair Market Value of a Cash Dividend paid or to be paid per Share shall be the amount of such Cash Dividend per Share determined as at the date of announcement of such Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment bank) the Fair Market Value of such options, warrants or other rights shall equal the arithmetic mean of five Trading Days on the relevant market commencing on such date (or, if later, the first such Trading Day such options, warrants or other rights are publicly traded) or such shorter period as such options, warrants or other rights are publicly traded; and (iv) where options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such option, warrants or other rights shall be determined in good faith by an Independent Bank, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Share, the dividend yield of an Share, the volatility of such market price, prevailing interest rates and the terms of such options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.
- (o) **“Relevant Stock Exchange”** means at any time, in respect of the Shares, the SGX-ST.
- (p) **“Trading Day”** means a day when the SGX-ST is open for dealing business, provided that if no closing price is reported in respect of the relevant Shares on the SGX-ST for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.
- (q) Where more than one event which gives or may give rise to an adjustment to the Exchange Price occurs within such a short period of time that in the opinion of an Independent Bank the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by an Independent Bank to be in its opinion appropriate in order to give such intended result.

- (r) Notwithstanding any provision in this Agreement, no adjustment will be made to the Fixed Exchange Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Company or any Subsidiary of the Company pursuant to any new options or awards granted and/or Shares issued pursuant to an exercise of options or awards granted, under any of the Scheme, the QTV 2013 Share Plan, the 2010 Equity Incentive Plan and the 2005 Stock Plan or any existing employees share scheme (and which employee share scheme is in compliance with the listing rules of the SGX-ST).
- (s) No adjustment involving an increase in the Fixed Exchange Price will be made, except in the case of a consolidation of the Shares as referred to in paragraph 1(a) of this **Schedule A**.

SCHEDULE B – RULES OF THE 2014 QTV EMPLOYEE SHARE OPTION SCHEME

1. Name of Scheme

The Scheme shall be called the “2014 QTV Employee Share Option Scheme”.

2. Definitions

- (a) In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

| | |
|------------------------------|---|
| “2005 Stock Plan” | The TriReme US share option plan |
| “2010 Equity Incentive Plan” | The Quattro Vascular share option plan |
| “Act” | The Companies Act, Chapter 50 of Singapore as amended or modified from time to time |
| “Adoption Date” | The date upon which this Scheme is adopted by the Board of Directors of the Company and its Shareholders in a general meeting |
| “Aggregate Exercise Price” | The total amount payable for the Scheme Shares which may be acquired on the exercise of an Option |
| “Associate” | In relation to a person, means his or her spouse, child, adopted child, step-child, brother, sister or parent |
| “Associated Company” | A company which is for the time being an Associated Company of the Company as defined in the Listing Manual, provided that at the Offer Date, the Company has control over the management of the Associated Company. |
| “Auditors” | The auditors of the Company for the time being |
| “Board” | The Board of Directors of the Company |
| “CDP” | The Central Depository (Pte) Limited |
| “Change in Control” | The occurrence of any of the following events: (a) <u>Change in Ownership of the Company.</u> A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“ Person ”), acquires ownership of the shares of the Company that, together with the shares held by such Person, constitute more than 50% of the total voting power of the shares of the Company, except that any change in the ownership of the shares of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change in Control; or |

- (b) Change in Effective Control of the Company. If the Company has a class of securities registered pursuant to Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subclause (b), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or
- (c) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subclause (c), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For purposes of the definition of Change in Control, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of shares, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is 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.

"Closing Date"

30 Days from the relevant Offer Date

"Code"

The United States Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code

"CPF"

Central Provident Fund

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| “Committee” | A committee duly authorised and appointed by the Board of Directors of the Company and comprising Directors of the Company, established for the purpose of administering the Scheme |
| “Company” or “QT Vascular” | QT Vascular Ltd. |
| “Controlling Interest” | The interest of the Company’s Controlling Shareholder(s) |
| “Control” | The capacity to dominate decision making, directly or indirectly in relation to the financial and operating policies of the Company |
| “Controlling Shareholder” | A person who exercises Control over the Company. Unless rebutted, a person who controls directly or indirectly a shareholding interest of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder of the Company |
| “Date of Grant” | The date on which an Option is granted to a Participant pursuant to the Option Scheme |
| “Depositor” | A person being a Depository Agent or holder of a Securities Account maintained with CDP but does not include a holder of an account maintained with a Depository Agent |
| “Depository Agent” | An entity registered as a depository agent with CDP for the purpose of maintaining securities subaccounts for its own account and for the account of others |
| “Depository Register” | A register maintained by CDP in respect of book entry securities |
| “Director” | A director (whether executive or non-executive), for the time being of the Company or its Subsidiary |
| “Disability” | Total and permanent disability as defined in Code Section 22(e) (3), provided that in the case of Nonstatutory Stock Options, the Committee in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Committee from time to time |
| “Employee” | A confirmed employee of the Company or its Subsidiaries selected by the Committee to participate in the Scheme in accordance with Rule 4 |
| “Exchange Act” | The United States Securities Exchange Act of 1934, as amended |
| “Executive Director” | A director who is an employee of the Company or its Subsidiary |
| “Exercise Price” | The price at which a Participant shall subscribe for each Scheme Share upon the exercise of an Option as determined in accordance with Rule 5 |
| “Exercise Limitation Period” | The period within which an Option subject to Rule 846 of the Listing Manual may not be exercised, consisting of Options with an Exercise Price equal to the Market Price on the Date of Grant, the one (1) year period following the Date of Grant |

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| “Financial Year” | Each period of twelve (12) months at the end of which the profit and loss accounts and balance sheets of the Company are prepared and audited for the purpose of laying the same before an annual general meeting of the Company |
| “Group” | The Company and its Subsidiaries |
| “Incentive Stock Option” | An Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder |
| “Listing Manual” | The Listing Manual of the SGX-ST, Section B: Rules of Catalist as amended or modified from time to time |
| “Market Day” | A day on which the SGX-ST is open for trading in securities |
| “Market Price” | The weighted average of the last-dealt price for a Share, as determined by reference to the daily Official List published by the SGX-ST <u>for the three (3) consecutive on the Date of Grant of an Option (and where the Date of Grant of an Option is not a day where the Shares are traded on Catalist, the last-dealt price for a Share will be determined by reference to the daily Official List published by the SGX-ST for the</u> trading days immediately preceding the Date of Grant of an Option). |
| “Month” | Calendar month |
| “Non-Executive Director” | A director (including an independent director) who does not perform any executive function in the Company or its Subsidiary |
| “Nonstatutory Stock Option” | An Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option |
| “Offer” | The Company’s offer to a Participant of an Option to subscribe for Shares under the Scheme |
| “Offer Date” | The date on which an Offer is made to a Participant to participate in the Scheme |
| “Option” | The right to subscribe for the Scheme Shares granted or to be granted pursuant to this Scheme and for the time being subsisting |
| “Option Agreement” | The written or electronic agreement setting forth the terms and provisions applicable to each Option granted under the Scheme. The Option Agreement is subject to the terms and conditions of the Scheme |
| “Participant” | The holder of an Option |
| “Parent” | A “parent corporation” whether now or hereafter existing, as defined in Code Section 424(e) |

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| “QTV 2013 Share Plan” | The share option plan adopted by the Board after the restructuring exercise where the Company became the holding company of TriReme Medical (Singapore) Pte. Ltd., TriReme Medical, LLC and Quattro Vascular Pte. Ltd. |
| “QTV Restricted Share Plan” | The QT Vascular Restricted Share Plan 2015, as may be amended or modified from time to time |
| “Record Date” | The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares |
| “Scheme” | The 2014 QTV Employee Share Option Scheme, as the same may be amended from time to time |
| “Scheme Shares” | Shares to be issued pursuant to the Scheme |
| “Service Provider” | An Employee or Director |
| “Securities Account” | A securities account maintained by a Depositor with CDP but does not include a securities subaccount |
| “SGX-ST” | The Singapore Exchange Securities Trading Limited |
| “Shares” | Ordinary shares in the capital of the Company |
| “Shareholders” | A person who is named as a registered holder of the Shares from time to time and in the case of the Depositor, a person who is named as the Depositor in the Depository Register maintained by the CDP and into whose Securities Account those Shares are credited |
| “Subsidiary” | A company (wheresoever incorporated) which is for the time being a subsidiary of the Company as defined within the meaning of Section 5 of the Act and, with respect to Incentive Stock Options, as defined in Code Section 424(f) |
| “Trading Day” | A day on which is for the time being a subsidiary of the Company within the meaning of the Companies Act |
| “Treasury Shares” | Has the meaning ascribed to it in Section 4 of the Act |
| “\$” | Singapore dollars |
| “%” or “per cent.” | Percentage or per centum |
| (b) | Words importing the singular shall, where applicable, include the plural and <i>vice versa</i> and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and <i>vice versa</i> . References to persons shall, where applicable, include corporations. |
| (c) | Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any modification thereof and used in the Scheme shall have the meaning assigned to it under the Act or the Listing Manual or any modification thereof, as the case may be. |
| (d) | Any reference to a time of the day in the Scheme shall be a reference to Singapore time. |
| (e) | Unless the context otherwise requires, references to “Rules” are to rules of the Scheme. |

3. Objectives of the Scheme

The Scheme is a share incentive scheme. The purpose of the Scheme is to allow persons (including Controlling Shareholders and their Associates) who are Service Providers who have contributed significantly to the growth and development of the Group to have a personal stake in the Company at relatively low direct cost to the Company's profitability. The Scheme will also help to achieve the following positive objectives:-

- (a) to motivate the Participants to optimise their performance, efficiency and productivity to achieve higher levels of contribution to the Group and to work towards the growth and prosperity of the Group reflected through the growth in the price of the Shares, which ultimately benefits the Shareholders;
- (b) to increase the competitiveness of the Group by giving it the option to use the Scheme as an additional component in its compensation and incentive package to attract and retain key staff whose contributions are important to the long-term growth and profitability of the Group;
- (c) to instill a sense of loyalty in the staff with the view to achieving long-term prosperity for the Group;
- (d) to attract potential Service Providers with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. Grant of Options

- (a) Any Service Provider shall be eligible to participate in the Scheme if he is not an undischarged bankrupt on or before the relevant Date of Grant and is at the absolute discretion of the Committee, selected to participate in the Scheme. Notwithstanding the foregoing, only Employees will be eligible to receive Incentive Stock Options under the Scheme.
- (b) Participants who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4(a) above) not participate in the Scheme unless:-
 - (i) their participation; and
 - (ii) the actual number of Shares and terms of any Option to be granted to them, have been approved by the independent Shareholders in general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual number of Shares and terms of any Option to be granted to him.
- (c) For the purposes of obtaining such approval of the independent Shareholders, the Committee shall procure that the Appendix, letter or notice to the Shareholders in connection therewith shall set out the following:-
 - (i) clear justifications for the participation of such Controlling Shareholders or Associates of Controlling Shareholders; and
 - (ii) clear rationale for the number and terms (including the Exercise Price) of the Options to be granted to such Controlling Shareholders or Associates of Controlling Shareholders.

- (d) The Committee may, subject as provided in Rule 9, grant Options to the Participants as it may select in its absolute discretion at any time during the duration of the Scheme, provided that: (i) in the event that an announcement ~~is made~~ on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the second (2nd) Market Day from the date on which the aforesaid announcement is released; and (ii) in the event any Committee meeting to deliberate and approve any grant of an Option shall take place within the blackout period (which is two (2) weeks in relation to the quarterly or half-yearly financial statements or one (1) month in relation to the yearly financial statements or such other extended period as determined by the Company in accordance with the relevant rules and regulations) before the announcement of the Company's financial statements as required under the Catalist Rules, such grant of Options shall only take effect on the second (2nd) Market Day on expiry of such relevant blackout period.
- (e) The Option Agreement setting forth the terms and conditions of the Option shall be in or substantially in the form set out in Appendix A (subject to such modification as the Committee may from time to time determine). The Option shall be personal to the Participant to whom it is granted and, unless determined otherwise by the Committee, shall not be transferred, charged or assigned, pledged or otherwise disposed of or encumbered, in whole or in part, and may be exercised, during the lifetime of the Participant, only by the Participant, but may be exercised by the Participant's legal personal representative(s) as provided in Rule 6(d) in the event of the death of the Participant. If the Committee makes an Option transferable, such Option may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the United States Securities Act of 1933, as amended (the "**Securities Act**").
- (f) Subject to any adjustment pursuant to Rule 10, the number of Shares in respect of which Options may be granted to a Participant pursuant to the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the rank, performance, length of service of such Participant, and the services and/or contributions made by such Participant to the Group and the potential for such Participant making further contributions to the Group as well as the performance of Group.
- (g) The grant of an Option to a Participant under this Rule 4 shall be accepted by the Participant within thirty (30) days from the Date of Grant of that Option and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Appendix B (subject to such modification as the Committee may from time to time determine), accompanied by payment of \$1.00 as consideration.
- (h) If a grant of an Option is not accepted in the manner as provided in Rule 4(e), such offer shall upon the expiry of the thirty (30) day period automatically lapse and shall be null and void and of no effect.

5 Exercise Price

Subject to any adjustment pursuant to Rule 10, the Exercise Price payable for each Share in respect of which an Option is exercisable shall be the Market Price on the Date of Grant.

6 Right to Exercise Option

- (a) Subject as provided in this Rule 6 and in Rule 7 and Rule 8, an Option shall be exercisable, in whole or in part, at such times and under such conditions as determined by the Committee and set forth in the Option Agreement. Notwithstanding the foregoing, Options subject to the Act may not be exercised prior to the applicable Exercise Limitation Period.

- (b) If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within thirty (30) days of termination, or such longer period of time as is specified in the Option Agreement (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) to the extent that the Option is vested on the date of termination. Unless otherwise provided by the Committee, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Scheme. If after termination the Participant does not exercise his or her Option within the time specified by the Committee, the Option will terminate, and the Shares covered by such Option will revert to the Scheme. For the purpose of this Rule 6(b), a Participant shall be deemed to have ceased to be a Service Provider as of the date the notice of termination of service is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date. In determining the service period of the Participant, any period during which the Participant was previously a Service Provider of any company within the Group shall be taken into account. For the avoidance of doubt, where the Participant is a Non-Executive Director of the Company, the cessation of his or her appointment as a Director of the Company shall be treated as equivalent to the cessation of the full time employment of a Service Provider within the Group.
- (c) If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within six (6) months of termination, or such longer period of time as is specified in the Option Agreement (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) to the extent the Option is vested on the date of termination. Unless otherwise provided by the Committee, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Scheme. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Scheme.
- (d) If a Participant dies while he or she is a Service Provider, the Option may be exercised within six (6) months following the Participant's death, or within such longer period of time as is specified in the Option Agreement (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Committee. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. Unless otherwise provided by the Committee, if at the time of death, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Scheme. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Scheme.
- (e) An Option shall, to the extent unexercised, immediately lapse and become null and void without any claim against the Company and the Shares covered by such Option will revert to the Scheme:-
- (i) upon the bankruptcy of the Participant or the happening of any other event which results in his or her being deprived of the legal or beneficial ownership of such Option; or
 - (ii) in the event of misconduct on the part of the Participant as determined by the Committee in its absolute discretion or if the Participant commits any breach of any of the terms of his or her Option.
- (f) The term of each Option will be stated in the Option Agreement; provided, however, that the term will be no more than 120 months from the Date of Grant of such Option.

7. Take-over, Change in Control and Winding-Up of the Company

- (a) In the event of a take-over offer being made for the Shares and such offer becoming or being declared unconditional, each outstanding Option will be treated as the Committee determines.
- (b) In the event of a merger or Change in Control, each outstanding Option will be treated as the Committee determines. Notwithstanding the foregoing, in the event that the successor corporation does not assume or substitute for the Option (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options, including Shares as to which such Options would not otherwise be vested or exercisable. In addition, if an Option is not assumed or substituted in the event of a merger or Change in Control, the Committee will notify the Participant in writing or electronically that the Option will be exercisable for a period of time determined by the Committee in its sole discretion, and the Option, to the extent unexercised, will immediately lapse and become null and void without any claim against the Company. For the purposes of this Rule 7(b), an Option will be considered assumed if, following the merger or Change in Control, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or Change in Control, the consideration (whether in shares, cash, or other securities or property) received in the merger or Change in Control by holders of Shares 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 such consideration received in the merger or Change in Control is not solely ordinary shares of the successor corporation or its Parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option, for each Share subject to such Option, to be solely ordinary shares of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Shares in the merger or Change in Control.
- (c) If under the Act the court sanctions a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, subject to Rule 6(b) above and Rule 7(f) below, to exercise any Option then held by him or her during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiration of the term of the Option), after which the Option, to the extent unexercised, shall lapse and become null and void. Provided always that the date of exercise of the Option shall be before the fifth (5th) anniversary of the Date of Grant.
- (d) In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), each Participant shall be entitled to exercise any Option then held by him or her within thirty (30) days of the passing of the resolution of such winding-up or before the expiration of the term of the Option relating thereto, whichever is the earlier, after which all Options, to the extent unexercised shall, subject to Rule 7(f) below, lapse and become null and void.
- (e) If an order is passed for the winding-up of the Company on the basis of its insolvency (whether voluntary or involuntary), all Options, to the extent unexercised, shall lapse and become null and void.

- (f) If in connection with making of a general offer referred to in Rule 7(a) or the Change in Control referred to in Rule 7(b) or the scheme referred to in Rule 7(c) or the winding-up referred to in Rule 7(d), arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 7.
- (g) For the avoidance of doubt, any Option which is permitted to be exercised by reason of Rules 7(a), 7(b), 7(c), and 7(d) shall be so capable of being exercised notwithstanding that the exercise thereof may take place during the Exercise Limitation Period, if applicable.

8. Exercise of Options, Allotment and Listing of Shares

- (a) An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of whole shares and never for fractional shares), by a Participant giving a notice in writing to the Company in the form or substantially in the form set out in Appendix C (subject to such modification as the Committee may from time to time determine). Such notice must be accompanied by a remittance for the Aggregate Exercise Price and any other documentation the Committee may require. All payments pursuant to this Rule shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the Aggregate Exercise Price.
- (b) The exercise of an Option (including the time and manner of such exercise) shall be subject to and carried out in accordance with any guidelines that may from time to time be prescribed by the Committee. The Company further reserves the right to treat any exercise as invalid where it has reason to believe that such exercise would or may infringe any applicable guidelines of the SGX-ST.
- (c) Subject to prevailing legislation and guidelines issued by the SGX-ST, the Company will deliver Shares to Participants in relation to the exercise of an Option, either by way of an issue of new Shares, deemed to be fully paid upon their issuance and allotment, or the delivery of Treasury Shares. In determining whether to issue new Shares or deliver Treasury Shares, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.
- (d) The Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 8(a), allot and issue or procure the delivery or transfer, as the case may be, of the relevant Scheme Shares in respect of which the Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment or transfer, deliver the relevant share certificates to CDP for the credit of the Securities Account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.
- (e) Where new Shares are allotted pursuant to this Rule, the Company shall, as soon as practicable, apply to the SGX-ST and/or any other stock exchange on which the Shares are quoted, for the listing and quotation of the Scheme Shares.
- (f) Shares which are allotted or transferred on the exercise of an Option to a Participant shall be transferred or issued respectively in the name of CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account maintained by the Participant with a Depository Agent.

- (g) Shares which are allotted on the exercise of an Option to a Participant shall be subject to all the provisions of the Articles of Association of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to the Shares, including those rights which arise from a liquidation of the Company), and shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date of which falls on or prior to the date of exercise of the Option.

9. Limitations on the Size of the Scheme

- (a) The aggregate number of Shares that are subject to outstanding options (options that have not been either exercised or terminated) under the Scheme, when added to the aggregate number of Shares that are subject to outstanding options (options that have not been either exercised or terminated) under the Scheme, the QTV 2013 Share Plan, the 2010 Equity Incentive Plan and the 2005 Stock Plan (and specifically excluding the QTV Restricted Share Plan) shall not at any time exceed 18% of the number of issued Shares in the capital of the Company (excluding treasury shares).
- (b) The aggregate number of Shares available under the Scheme to Controlling Shareholders and/or their Associates shall not exceed 25% of the Shares available under the Scheme, and the number of Shares available under the Scheme to each Controlling Shareholder and/or his Associate shall not exceed 10% of the Shares available under the Scheme.
- (c) If an Option expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, the unpurchased Shares which were subject thereto will become available for future grant or sale under the Scheme (unless the Scheme has terminated). Shares used to pay the exercise price of an Option or to satisfy the tax withholding obligations related to an Option will become available for future grant or sale under the Scheme.

10. Alteration of Capital

- (a) If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) shall take place, then:–
 - (i) the Exercise Price for the Shares; and/or
 - (ii) the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
 - (iii) the class and/or number of Shares over which additional Options may be granted to the Participants,shall be adjusted in such manner as the Committee may determine to be appropriate and except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.
- (b) Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:–
 - (i) any issue of securities as consideration for an acquisition or a private placement of securities;

- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to this Scheme);
 - (ii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
 - (iv) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.
- (c) No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and unless the Committee, after considering all relevant circumstances, considers it equitable to do so.
- (d) Upon any adjustment made pursuant to this Rule 10, the Company shall notify the Participant (or his or her duly appointed personal representatives where applicable) in writing informing him or her (or his or her duly appointed personal representatives where applicable) of the Exercise Price thereafter in effect and the nominal amount, class and/or number of Scheme Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

11. Administration of Scheme

- (a) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- (b) The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- (c) Any decision of the Committee, made pursuant to any provisions of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Scheme or any rule, regulation or procedure thereunder or as to any rights under the Scheme), provided that a member of the Committee shall abstain from voting where the Committee is deliberating on whether an Option shall be granted to him or her pursuant to the Scheme or on any matter relating to the Scheme in which such member is interested.
- (d) All determinations or actions of the Committee with respect to the interpretation and/or implementation of the Scheme shall be by the affirmative vote of the majority of the members thereof or by way of a written instrument signed by a majority of the members of the Committee. In the latter case, the determination or actions so taken shall be as fully effective as if they had been taken by a vote of the majority of the members of the Committee at a meeting duly called and held. Only in the event of a tie shall the Chairman of the Committee be requested to cast his vote, otherwise, a simple majority of the members of the Committee shall suffice.

12. Notices

- (a) A Participant shall not by virtue of any unexercised Option be entitled to receive copies of any notices or other documents sent by the Company to the Shareholders.
- (b) Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office at 80 Robinson Road #02-00 Singapore 068898 and, in the case of the Participant, his or her address as notified by him or her to the Company from time to time.

- (c) Any notice or other communication sent by post:–
 - (i) by the Company shall be deemed to have been received twenty-four (24) hours after the same was put in the post properly addressed and stamped;
 - (ii) by the Participant shall be deemed to have been received when the same is delivered to the Company at its registered office at 80 Robinson Road #02-00, Singapore 068898.

13. Alteration and Termination of Scheme

- (a) Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:–
 - (i) no modification or alteration shall alter adversely the rights of any Participant except with the consent in writing of the affected Participant;
 - (ii) the definitions of “Associate”, “Controlling Shareholder”, “Employee”, “Participant”, “Committee” and “Exercise Price” and the provisions of Rules 4, 5, 6, 7, 8(e), 9, 10, 11 and this Rule 13 shall not be altered to the advantage of Participants except with the prior sanction of the Shareholders in general meeting; and
 - (iii) no modification or alteration shall be made without the prior approval of the SGX-ST or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.
- (b) Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants but omission to give notice to any Participant shall not invalidate any such amendments.
- (c) Notwithstanding anything to the contrary contained in Rule 13(a), the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the requirements of any regulatory or other relevant authority or body (including the SGX-ST).
- (d) The Scheme may be terminated at any time by the Committee or by ordinary resolution of the Shareholders in general meeting and if the Scheme is so terminated no further Options shall be offered by the Company hereunder but the then existing rights of Participants under the Scheme shall not thereby be affected.

14. Terms of Employment Unaffected

Where the Participant is a Service Provider, the terms of the Participant’s status as a Service Provider shall not be affected by his participation in the Scheme which shall neither form part of such terms nor entitle him or her to take into account such participation in calculating any compensation or damages on the termination of his or her status as a Service Provider for any reason.

15. Duration of the Scheme

The Scheme shall continue for a period of ten (10) years commencing from the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. Notwithstanding the foregoing, the Scheme will terminate ten (10) years from the earlier of the most recent Board or Shareholder approval of an increase in the number of Shares reserved for issuance under the Scheme.

The Scheme will be subject to approval by the Shareholders within twelve (12) months after the Adoption Date. Such Shareholder approval will be obtained in the manner and to the degree required under applicable laws.

The expiry of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 4, whether such Options have been exercised (whether fully or partially) or not.

16. Taxes and Consents

All taxes (including income tax) arising with respect to any Option (including, without limitation, upon exercise of an Option) granted to any Participant under the Scheme shall be borne by that Participant. The Participant shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the relevant Option.

17. Costs and Expenses of Scheme

- (a) The Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Scheme Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- (b) Save for the taxes referred to in Rule 16 and the fees referred to in Rule 17(a) above, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment of the Shares of the Company pursuant to the exercise of any Option shall be borne by the Company.

18. Disclaimer of Liability

Notwithstanding any provisions contained herein and subject to the Act, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or procuring the listing of the Shares on the SGX-ST in accordance with Rule 8(c) (and any other stock exchange on which the Shares are quoted or listed).

19. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. Disclosures

- (a) In accordance with the Listing Manual, the Company shall, on any grant of Option(s) make an announcement providing details of the grant, including the date of grant, exercise price of Option(s) granted, number of Option(s) granted, market price of its securities on the date of grant, number of Option(s) granted to directors and controlling shareholders (and their associates), if any, and the validity period of the Option(s).
- (b) The Company shall further make the following disclosures in its annual report to shareholders:-
- (i) the names of the members of the Committee;
 - (ii) the information required in the table below for the following participants of the Scheme:-
 - (1) Directors;
 - (2) Participants who are Controlling Shareholders and their Associates; and
 - (3) Participants, other than those in Rules 20(b)(ii)(1) and (2) above, who receive 5% or more of the total number of Options available under the Scheme;

| Name of Participant | Options granted during the financial year under review (including terms) | Aggregate Options granted since commencement of the Scheme to the end of the financial year under review | Aggregate Options exercised since commencement of the Scheme to the end of the financial year under review | Aggregate Options outstanding as at the end of financial year under review |
|---------------------|--|--|--|--|
|---------------------|--|--|--|--|

- (iii) in respect of the Options granted during the Financial Year under review, the number and proportion of Options granted at a discount, in respect of every 10% discount range, up to the maximum discount of 20%.

Provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

21. Governing Law

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by participating in the Scheme agree to irrevocably submit to the exclusive jurisdiction of the courts of Singapore.

22. Contracts (Right of Third Parties) Act, Chapter 53B of Singapore

No person other than the Company or a Participant shall have the right to enforce any provision of the Scheme or any Option by virtue of the Contracts (Right of Third Parties) Act, Chapter 53B of Singapore.

23. Eligible Shareholders

Shareholders who are eligible to participate in the Scheme shall abstain from voting on any resolution relating to the Scheme (other than a resolution relating to the participation of, or grant of options to, directors and employees of the Company's parent company and its Subsidiaries). In particular, all Shareholders who are eligible to participate in the Scheme shall abstain from voting on resolutions of the Shareholders relating to (i) the implementation of the Scheme and (ii) the participation of, or grant of Options to Controlling Shareholders and their Associates.

**2014 QTV EMPLOYEE SHARE OPTION SCHEME
OPTION AGREEMENT**

LETTER OF OFFER

PRIVATE & CONFIDENTIAL

Serial No: _____

[Date]

To: [Name]

[Designation]

[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the Committee of the Board of Directors of QT Vascular Ltd. (the "Company") to participate in the **2014 QTV EMPLOYEE SHARE OPTION SCHEME** (the "Scheme"). Unless otherwise defined herein, the terms defined in the Scheme shall have the same defined meanings in this Share Option Agreement (the "Option Agreement").

Accordingly, an offer is hereby made to grant you an option in consideration of the payment of the sum of \$1.00, to subscribe and be allotted ordinary shares in the Capital of the Company (the "Shares"), subject to the terms and conditions of the Scheme and this Option Agreement, as follows:

| | | |
|---------------------------------|---|--|
| Date of Grant: | : | _____ |
| Vesting Commencement Date: | : | _____ |
| Exercise Price per Share: | : | \$ _____ |
| Total Number of Shares Granted: | : | _____ |
| Total Exercise Price: | : | \$ _____ |
| Type of Option: | : | Incentive Stock Option Nonstatutory Stock Option _____ |
| Term/Expiration Date: | : | _____ |

Vesting Schedule:

This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

- (a) [Twenty-five percent (25%) of the Shares subject to the Option shall vest on the one (1) year anniversary of the Vesting Commencement Date, and one forty-eighth (1/48th) of the Shares subject to the Option shall vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.]
- (b) [Notwithstanding the foregoing, your Option is subject to a {one (1) year Exercise Limitation Period, as set forth in the Scheme.}]

Termination Period:

This Option shall be exercisable for thirty (30) days after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for six (6) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and this Option may be subject to earlier termination as provided in Rule 7 of the Scheme.

The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of or encumbered, in whole or in part, to any person and whomsoever unless approved by the Committee.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of \$1.00 not later than 5:00 p.m. on the _____day of _____20____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
The Board of QT Vascular Ltd.
Enc.

**2014 QTV EMPLOYEE SHARE OPTION SCHEME
OPTION AGREEMENT**

ACCEPTANCE FORM

PRIVATE & CONFIDENTIAL

Serial No: _____

To: The Company Secretary

QT Vascular Ltd.
80 Robinson Road
#02-00
Singapore 068898

Closing Time and Date for : _____

Acceptance of Offer : _____

Number of Shares in respect of which:
Option is Offered _____

Exercise Price per Share : \$ _____

Total Amount Payable : \$ _____

I have read your Letter of Offer dated [Date of Grant] and agree to be bound by the terms of the Letter of Offer and the Rules of the **2014 QTV EMPLOYEE SHARE OPTION SCHEME**.

I hereby accept the Option to subscribe for _____ ordinary shares in the capital of the Company at the price of \$ _____ per share. I enclose a **cheque/cashier's order/bank draft/postal order for \$1.00 in payment for the consideration for the Option.

I understand that:-

- (i) I am not obliged to exercise the Option; and
- (ii) if I exercised the Option to subscribe for shares in the Company, I shall notify the Company Secretary or any other person authorized in writing by the Directors of the Company within 24 hours of my disposal of the shares (or any part thereof) arising from the exercise of the Option, stating the date of transaction, the transaction price and the number of shares disposed of and such other information as the Company may require.

I confirm that as the date hereof, I am not less than 21 years old or an undischarged bankrupt.

I acknowledge and agree that if designated in the Letter of Offer as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the \$100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("NSO"). Further, if for any reason this Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Committee, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to me (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

I acknowledge and agree that I may suffer adverse tax consequences as a result of my purchase or disposition of the Shares. I represent that I have consulted with any tax consultant I have deemed advisable in connection with the purchase or disposition of the Shares and that I am not relying on the Company for any tax advice.

I further acknowledge that you have not made any representation or warranty to induce me to accept the Offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the Offer.

I agree to keep confidential all information relating to the grant of the Option to me.

Please print in block letters

| | | |
|---------------------------------|---|-------|
| Name in full | : | _____ |
| Designation | : | _____ |
| Address | : | _____ |
| Nationality | : | _____ |
| Identification No./Passport No. | : | _____ |
| Signature | : | _____ |
| Date | : | _____ |

Note:-

Shares will not be accepted in fractions of whole shares.

**2014 QTV EMPLOYEE SHARE OPTION SCHEME
OPTION AGREEMENT**

ACCEPTANCE FORM

PRIVATE & CONFIDENTIAL

Serial No: _____

To: The Company Secretary

QT Vascular Ltd.
80 Robinson Road
#02-00
Singapore 068898

Total number of ordinary shares of : _____
\$ each ("Shares") offered under the
Scheme on [Date of Grant]

Number of Shares previously issued : _____
and allotted thereunder

Outstanding balance of Shares to be : _____
issued and allotted thereunder

Number of Shares now to be : _____
subscribed

Exercise Price per Share : _____

Pursuant to your Letter of Offer dated [Date of Grant] and my acceptance thereof, I hereby exercise the Option (as defined under the Scheme) to subscribe for _____ Shares in the capital of QT Vascular Ltd. (the "Company") at \$ _____ per Share.

I enclose a **cheque/cashier's order/bank draft/postal order no. _____ for \$ _____ being the aggregate exercise price in payment for the subscription of the Shares.

I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the **2014 QTV EMPLOYEE SHARE OPTION SCHEME** and the Memorandum of Association and the Articles of Association of the Company.

I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

I request that the Company allot and issue the Shares in the name of The Central Depository (Pte) Limited ("CDP") and to deliver to CDP the share certificate(s) for the Shares for credit into my securities account as specified below and I undertake to bear such fees or other charges as may be imposed by CDP in connection with the foregoing:-

(i) Direct Securities Account No. : _____

or

(ii) Securities sub-account No. and the name of the Depository Agent

Securities sub-account No. : _____

Name of Depository Agent : _____

or

(iii) CPF investment account No. and the name of the CPF agent bank

CPF investment account No : _____

Name of CPF agent bank : _____
Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

Identification No./Passport No. : _____

Signature _____

Date _____

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