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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**SCHEDULE 14A  
(RULE 14a-101)  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(A) of the  
Securities Exchange Act of 1934**

Filed by the Registrant       Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to §240.14a-12.

**ATHENEX, INC.**  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
    - (1) Title of each class of securities to which transaction applies:  
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    - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
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  - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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\_\_\_\_\_
    - (3) Filing Party:  
\_\_\_\_\_
    - (4) Date Filed:  
\_\_\_\_\_
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**Notice of June 5, 2020  
Annual Meeting and  
2020 Proxy Statement**



Athenex, Inc.  
1001 Main Street, Suite 600  
Buffalo, New York 14203

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 5, 2020

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To the Stockholders of Athenex, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders (the "Annual Meeting") of Athenex, Inc. will be held on Friday, June 5, 2020 at 9:30 AM EDT. The Annual Meeting will be conducted as a virtual meeting of stockholders via a live webcast. We believe that hosting a virtual meeting is prudent given the COVID-19 pandemic and that it will preserve the ability of our stockholders to attend and participate in the meeting.

The Annual Meeting is being held for the following purposes:

1. To elect the Class III nominees named in the proxy statement as directors for a three-year term expiring in 2023 and until their successors have been duly elected and qualified;
2. To approve, on an advisory basis, the compensation paid to our named executive officers;
3. To select, on an advisory basis, the frequency of future advisory votes on the compensation of our named executive officers;
4. To approve the Amended and Restated 2017 Omnibus Incentive Plan;
5. To ratify the appointment of Deloitte & Touche LLP as our Company's independent registered public accounting firm for the fiscal year ending December 31, 2020; and
6. To consider and take action upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

These matters are more fully described in the 2020 Proxy Statement accompanying this Notice of Annual Meeting of Stockholders (the "Notice").

If you were a stockholder of record of Athenex, Inc. common stock as of the close of business on April 8, 2020, the record date of the Annual Meeting, you are entitled to receive this Notice and vote at the Annual Meeting and any adjournments or postponements thereof, provided that the Board of Directors may fix a new record date for an adjourned meeting. Our stock transfer books will not be closed. A list of the stockholders entitled to vote at the meeting may be examined at our principal executive offices in Buffalo, NY during ordinary business hours for the 10-day period preceding the meeting for any purposes related to the Annual Meeting. To participate in the Annual Meeting virtually via the Internet, please visit [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX). In order to attend via live webcast, you must register in advance at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) prior to the deadline of June 3, 2020 at 5:00 PM EDT (the "Registration Deadline"). After completion of your registration by the Registration Deadline, further instructions, including a unique link to access the Annual Meeting, will be emailed to you. **You will not be able to attend the Annual Meeting in person.**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders To Be Held on June 5, 2020.** In accordance with the rules of the Securities and Exchange Commission, we have opted to provide our materials pursuant to the "full set delivery option" in connection with the Annual Meeting.

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Under the full set delivery option, a company delivers paper copies of all proxy materials to each stockholder. The approximate date on which the materials are intended to be first sent or given to the Company's stockholders is April 15, 2020. In addition to delivering proxy materials to stockholders, the Company must also post all proxy materials on a publicly accessible website and provide information to stockholders about how to access that website. Accordingly, you should have received our proxy materials by mail. These proxy materials include this Notice, the 2020 Proxy Statement, a proxy card and our Annual Report, including our Form 10-K for the fiscal year ended December 31, 2019. These materials are available free of charge at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX). We believe this process gives us the opportunity to serve you more effectively.

**You are cordially invited to attend the Annual Meeting virtually. Whether or not you expect to attend via live webcast, the Board of Directors respectfully requests that you vote your stock in the manner described in the 2020 Proxy Statement. You may revoke your proxy in the manner described in the 2020 Proxy Statement at any time before it has been voted at the Annual Meeting.**

By Order of the Board of Directors of Athenex, Inc.,

/s/ Johnson Y.N. Lau, M.D.

\_\_\_\_\_  
Johnson Y.N. Lau, M.D.

Chief Executive Officer and Chairman of the Board

Buffalo, New York

Dated: April 15, 2020

**YOUR VOTE IS IMPORTANT**

**You may vote your shares via the Internet, over the telephone, or by mail by marking, dating and signing the proxy card or voting instruction form and mailing it promptly in the return envelope provided.**

[www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX)

ATHENEX, INC.

Proxy Statement  
for the  
Annual Meeting of Stockholders  
To Be Held June 5, 2020

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ATHENEX, INC.

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PROXY STATEMENT

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ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 5, 2020

INFORMATION CONCERNING SOLICITATION AND VOTING

This Proxy Statement is furnished to the holders of our common stock in connection with the solicitation of proxies on behalf of our Board of Directors (the “Board”) for use at the Annual Meeting of Stockholders (the “Annual Meeting”) of Athenex, Inc. (the “Company,” “we,” “us,” “our” or “Athenex”), to be held on June 5, 2020 at 9:30 AM EDT, or for use at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders (the “Notice”). The Annual Meeting will be conducted as a virtual meeting of stockholders via a live webcast. Only stockholders of record at the close of business on April 8, 2020 (the “Record Date”) are entitled to notice of and to vote at the Annual Meeting. Prior registration to attend the virtual Annual Meeting at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) is required by June 3, 2020 at 5:00 PM EDT (the “Registration Deadline”).

In accordance with the rules of the Securities and Exchange Commission (“SEC”), we have opted to provide our proxy materials pursuant to the “full set delivery option” in connection with the Annual Meeting. Under the full set delivery option, a company delivers paper copies of all proxy materials to each stockholder. The approximate date on which the proxy materials are intended to be first sent or given to the Company’s stockholders is April 15, 2020. In addition to delivering proxy materials to stockholders, the Company must also post all proxy materials on a publicly accessible website and provide information to stockholders about how to access that website. Accordingly, you should have received our proxy materials by mail. These proxy materials (collectively, the “Proxy Materials”) include the Notice, this Proxy Statement, a proxy card and Annual Report, including our Form 10-K for the fiscal year ended December 31, 2019 (“2019 Annual Report”). These Proxy Materials are available free of charge at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX). We believe this process gives us the opportunity to serve you more effectively.

Each holder of our common stock is entitled to one vote for each share held as of the Record Date with respect to all matters considered at the meeting. Stockholder votes will be tabulated by representatives of Mediant, who have been appointed by the Board to act as inspectors of election for the meeting.

We bear the expense of soliciting proxies. Our directors, officers, or other employees may solicit proxies personally or by telephone, email, text message, facsimile, or other means of communication. We do not intend to pay them additional compensation for doing so. We have engaged Advantage Proxy, Inc. to assist in proxy solicitation and collection at a cost of \$7,500 plus out-of-pocket expenses. In addition, we might reimburse banks, brokerage firms, and other custodians, nominees, and fiduciaries representing beneficial owners of our common stock, for their expenses in forwarding soliciting materials to those beneficial owners.

## QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

**Q: Who may vote at the Annual Meeting?**

**A:** Each share of our common stock has one vote on each matter. If you owned shares of our common stock at the close of business on the Record Date, you may attend and vote at the Annual Meeting via the webcast provided you register by the Registration Deadline. As of the Record Date, there were 81,648,843 shares of our common stock outstanding and entitled to vote at the Annual Meeting held by 163 stockholders of record.

**Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

**A:** If your shares are registered directly in your name with our transfer agent, Computershare Shareholder Services, Inc., or Computershare, you are considered a stockholder of record with respect to those shares. As a stockholder of record, you have the right to vote at the Annual Meeting.

If your shares are held by a broker, bank, nominee or other similar organization, you are considered the beneficial owner of shares held in “street name,” and the Proxy Materials were forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account. You are also invited to attend and vote your shares at the Annual Meeting live via the webcast so long as you register to attend the Annual Meeting by the Registration Deadline. You will be asked to provide the control number located inside the shaded gray box on your proxy card (the “Control Number”) as described in the proxy card. After completion of your registration by the Registration Deadline, further instructions, including a unique link to access the Annual Meeting, will be emailed to you.

**Q: What are broker non-votes?**

**A:** Brokers may not cast votes on “non-routine” matters. Broker non-votes are counted for purposes of determining whether a quorum exists. Broker non-votes occur when a person holding shares in street name, such as through a brokerage firm, does not provide instructions on how to vote those shares, but the broker submits that person’s proxy nonetheless. If you attend the virtual Annual Meeting via the live webcast or by proxy, but withhold your vote or abstain from voting on any or all proposals, your shares are still counted as present and entitled to vote for purposes of determining whether a quorum exists.

**Q: What is the quorum requirement for the Annual Meeting?**

**A:** A majority of our outstanding shares of capital stock entitled to vote as of the Record Date must be present at the Annual Meeting in order for us to hold the meeting and conduct business. This is called a quorum. Your shares will be counted as present at the meeting if you:

- are present and entitled to vote at the Annual Meeting;
- properly submitted a proxy card or voter instruction form; or
- do not provide your broker with instructions on how to vote, but the broker submits your proxy nonetheless (a broker non-vote).

**Q: What proposals will be voted on at the Annual Meeting?**

**A:** Our stockholders will vote on the following proposals at the Annual Meeting:

- **Proposal One**—To elect the Class III nominees named in the proxy statement as directors for a three-year term expiring in 2023 and until their successors have been duly elected and qualified;
- **Proposal Two**—To approve, on an advisory basis, the compensation paid to our named executive officers, or NEOs;

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- **Proposal Three**—To select, on an advisory basis, the frequency of future advisory votes on the compensation of our NEOs;
- **Proposal Four**—To approve the Amended and Restated 2017 Omnibus Incentive Plan; and
- **Proposal Five**—To ratify the appointment of Deloitte & Touche LLP (“D&T”) as our Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020.

We will also consider any other business that properly comes before the Annual Meeting at the direction of our Board. As of the Record Date, we are not aware of any other matters to be submitted for consideration at the Annual Meeting by our Board and no stockholder has timely provided notice of a matter to be submitted for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the proxies named in the proxy card or voter instruction form will vote the shares they represent using their best judgment.

### **Q: What is the voting requirement to approve each of the proposals?**

**A:**

<b>Proposal</b>	<b>Voting Options</b>	<b>Vote Required</b>	<b>Effect of Abstentions/Withheld Votes</b>	<b>Effect of Broker Non-Votes</b>
<i>Proposal One—To elect three Class III directors</i>	<b>FOR or WITHHOLD</b>	Plurality of the votes cast	None	None because not considered votes cast
<i>Proposal Two—To approve, on an advisory basis, the compensation paid to our NEOs</i>	<b>FOR, AGAINST or ABSTAIN</b>	Our Board will consider our stockholders’ preference as reflected in the vote on this proposal	An abstention will count as a vote “against” the proposal	None because this is a non-binding, advisory vote
<i>Proposal Three—To select, on an advisory basis, the frequency of future advisory votes on the compensation of our NEOs</i>	<b>ONE YEAR, TWO YEARS, THREE YEARS or ABSTAIN</b>	Our Board will consider our stockholders’ preference as reflected in the vote on this proposal	None	None because this is a non-binding, advisory vote
<i>Proposal Four—To approve the Amended and Restated 2017 Omnibus Incentive Plan</i>	<b>FOR, AGAINST or ABSTAIN</b>	Majority of the shares entitled to vote and present or represented by proxy	An abstention will count as a vote “against” the proposal	None because not “entitled to vote” on this proposal
<i>Proposal Five—To ratify the appointment of Deloitte &amp; Touche LLP as our Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020</i>	<b>FOR, AGAINST or ABSTAIN</b>	Majority of the shares entitled to vote and present or represented by proxy	An abstention will count as a vote “against” the proposal	Not applicable because brokers have discretion to vote on this proposal

**Q: How are votes counted?**

**A:** All shares entitled to vote and that are voted at the Annual Meeting will be counted by one or more representatives of Mediant, who will serve as the inspector of elections for the Annual Meeting, and all shares represented by properly executed and unrevoked proxies received prior to the Annual Meeting will be voted at the Annual Meeting as indicated in such proxies. In all cases, abstentions, votes to withhold and broker non-votes will count as present when determining a quorum.

If you are the beneficial owner of shares held by your broker, bank, nominee or other similar organization in street name and you do not vote your shares, the broker, bank, nominee or other similar organization cannot vote such shares except for with respect to Proposal Five. Proxy cards signed and returned to the Company unmarked will be voted **FOR** each of Proposals One, Two, Four and Five and for **ONE YEAR** in Proposal Three.

In the case of Proposals Two and Three, because each call for non-binding, advisory votes, there is no “required vote” that would constitute approval. However, our Board, including our Compensation Committee, values the opinions of our stockholders and will consider the results of these votes when making future decisions regarding our executive compensation program.

**Q: How does the Board recommend that I vote?**

**A:** Our Board recommends that you vote your shares:

- **FOR**—the three nominees named in this Proxy Statement for election as directors (Proposal One);
- **FOR**—the approval, on an advisory basis, of the compensation paid to our NEOs (Proposal Two);
- **ONE YEAR**—for the frequency of future advisory votes on the compensation of our NEOs (Proposal Three);
- **FOR**—the approval of the Amended and Restated 2017 Omnibus Incentive Plan (Proposal Four); and
- **FOR**—the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2020 (Proposal Five).

**Q: How are Proxy Materials being made available to stockholders?**

**A:** In accordance with the rules of the SEC, we have opted to provide our materials pursuant to the “full set delivery option” in connection with the Annual Meeting. Under the full set delivery option, a company delivers paper copies of all Proxy Materials to each stockholder. The approximate date on which the Proxy Materials are intended to be first sent or given to our stockholders is April 15, 2020. In addition to delivering proxy materials to stockholders, we must also post all proxy materials on a publicly accessible website and provide information to stockholders about how to access that website. Accordingly, you should have received our Proxy Materials by mail. These proxy materials include the Notice, this Proxy Statement, a proxy card and 2019 Annual Report. These materials are available free of charge at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX). We believe this process gives us the opportunity to serve you more effectively.

**Q: Can I access these Proxy Materials on the Internet?**

**A:** Yes. The Proxy Materials are available for viewing, printing, and downloading at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX). All materials will remain posted on [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) at least until the conclusion of the meeting. Our 2019 Annual Report is also available under the *Investor Relations—Financial Information—Annual Report* section of our website at [www.athenex.com](http://www.athenex.com) and through the SEC’s EDGAR system at [www.sec.gov](http://www.sec.gov). **You can request a copy of our 2019 Annual Report free of charge by calling (716)-427-2950 or sending an e-mail to [IR@athenex.com](mailto:IR@athenex.com). Please include your contact information with the request.**

**Q: How can I attend the Annual Meeting?**

**A:** The Annual Meeting will be conducted as a virtual meeting of stockholders via a live webcast. **You will not be able to attend the meeting in person.**

In order to attend, you must register in advance at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) prior to the Registration Deadline. Upon completing your registration, you will receive further instructions via email, including your unique link that will allow you to access the Annual Meeting.

If your shares are registered directly in your name with our transfer agent, Computershare, as of the close of business on the Record Date, you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to attend the meeting and vote your shares at the Annual Meeting live via the webcast.

If your shares are held in a brokerage account, bank or by another nominee or trustee, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you are also invited to attend the meeting and vote your shares at the Annual Meeting live via the webcast.

While there will not be a management presentation, this year's stockholders' question and answer session will include questions submitted in advance of the Annual Meeting. You may submit a question in advance of the meeting at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) after logging in with your Control Number. Shortly after the meeting, we may post questions and answers under the *Investor Relations—Financial Information—Annual Meeting Materials* section of our website at [www.athenex.com](http://www.athenex.com).

**Q: How can I vote my shares?**

**A:** If you hold shares in your own name, you may vote by proxy in any one of the following ways:

- Via the Internet by accessing the Proxy Materials on the secured website [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) and following the voting instructions on that website;
- Via telephone by calling toll free (866) 217-7048 and following the recorded instructions;
- Via mail by completing the proxy card with your voting instructions and returning it in the postage-paid envelope; or
- Via the virtual meeting by accessing the secured website [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) and following the voting instructions on that website.

The Internet and telephone voting procedures are designed to authenticate stockholders' identities by use of a control number to allow stockholders to vote their shares and to confirm that stockholders' instructions have been properly recorded. Voting via the Internet or telephone must be completed by 11:59 PM EDT on June 4, 2020. As discussed above, if you are a beneficial owner of shares, you are invited to attend and vote your shares at the Annual Meeting live via the webcast so long as you register to attend the Annual Meeting at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) by the Registration Deadline. If you submit or return a proxy card without giving specific voting instructions, your shares will be voted as recommended by our Board, as permitted by law.

If your common stock is held by a broker, bank, or other nominee, they should send you instructions that you must follow in order to have your shares voted.

**Q: How can I change or revoke my vote after submitting it?**

**A:** You can change your vote or revoke your proxy at any time before the closing of the polls at the Annual Meeting. If you are a stockholder of record, you can change your vote or revoke your proxy by:

- Filing a written notice of revocation bearing a later date than the proxy with our Corporate Secretary at 1001 Main Street, Suite 600, Buffalo, New York 14203 at or before the taking of the vote at the meeting;

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- Duly executing a later-dated proxy relating to the same shares and delivering it to our Corporate Secretary at 1001 Main Street, Suite 600, Buffalo, New York 14203 at or before the taking of the vote at the meeting;
- Attending the virtual meeting and submitting an electronic ballot; or
- If you voted by telephone or via the Internet, voting again by the same means prior to 11:59 PM EDT on June 4, 2020.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other holder of record.

**Q: Where can I find the voting results of the meeting?**

**A:** We plan to announce the preliminary voting results at the Annual Meeting. We plan to publish the final voting results in a Form 8-K filed with the SEC within four business days of the Annual Meeting. If final results are not available at such time, the Form 8-K will disclose preliminary results, to be followed with an amended Form 8-K when final results are available.

**Q: How long will the proxy materials be available on the Internet?**

**A:** The Proxy Materials will be available at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) at least until the conclusion of the Annual Meeting. These materials are also available, free of charge, in PDF and HTML format under the *Investor Relations—Financial Information—Annual Meeting Materials* section of our website at [www.athenex.com](http://www.athenex.com) and will remain posted on this website at least until the conclusion of the Annual Meeting.

**PROPOSAL ONE — ELECTION OF DIRECTORS****Nominees**

Our Board currently consists of nine members and is divided into three equal classes, the members of which each serve for a staggered three-year term and until a successor has been duly elected and qualified, or if sooner, until such member's death, resignation or removal. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting for a full three-year term. Our current Class III directors, Johnson Y.N. Lau, Jordan Kanfer and John Tiong Lu Koh, have been nominated to fill a three-year term expiring in 2023. The two other classes of directors, who were elected or appointed for terms expiring at the annual meetings in 2021 and 2022, respectively, will remain in office.

Our Nominating and Governance Committee has evaluated each of the following candidates and, based on the recommendation of our Nominating and Governance Committee, our Board has nominated the following candidates to stand for re-election to our Board. Each of the following nominees is currently a director and each has consented to be named in this proxy statement and to serve if elected. In the event that any nominee is unable or declines to serve as a director at the time of the Annual Meeting, your proxy will be voted for any nominee designated by our Board to fill the vacancy. We do not expect that any nominee will be unable or will decline to serve as a director. If you are a beneficial owner of shares held in street name and you do not provide your broker with voting instructions, your broker may not vote your shares on your behalf for the election of directors. Therefore, it is important that you vote.

The name of and certain information regarding each Class III nominee as of April 15, 2020 is set forth below, together with information regarding our directors remaining in office. This information is based on data furnished to us by the nominees and directors. There is no family relationship between any director, executive officer or person nominated to become a director or executive officer. The business address for each nominee for matters regarding the Company is 1001 Main Street, Suite 600, Buffalo, NY 14203.

**Class III Director Nominees for Terms Expiring in 2023**

<b>Name</b>	<b>Age</b>	<b>Position(s) with Athenex</b>	<b>Director Since</b>
Johnson Y.N. Lau, M.D.	59	Chief Executive Officer & Chairman of the Board	November 2003
Jordan Kanfer	50	Director	April 2019
John Tiong Lu Koh	64	Director	April 2019

**Class I Directors with Terms Expiring in 2021**

<b>Name</b>	<b>Age</b>	<b>Position(s) with Athenex</b>	<b>Director Since</b>
Benson Kwan Hung Tsang	55	Director	July 2018
Jinn Wu, Ph.D.	71	Director	April 2007
Stephanie Davis	56	Director	April 2019

**Class II Director with Terms Expiring in 2022**

<b>Name</b>	<b>Age</b>	<b>Position(s) with Athenex</b>	<b>Director Since</b>
Kim Campbell	73	Director	October 2015
Manson Fok	63	Director	June 2015
John Moore Vierling, M.D.	74	Director	April 2019

### **Class III Director Nominees**

#### ***Johnson Y.N. Lau***

Dr. Lau has served as our Chief Executive Officer since 2011 and as Chairman of our Board since our inception in 2003. Dr. Lau has had extensive leadership experience in both scientific and business management. He previously served as Chairman and Chief Executive Officer of Ribapharm Inc. (“Ribapharm”), a company that engages in the development, acquisition, and commercialization of products for the treatment of diseases principally in the antiviral and anticancer areas, and oversaw the company’s initial public offering in 2002. Ribapharm was acquired by Valeant Pharmaceuticals International (now known as Bausch Health) in 2003. Prior to Ribapharm, he served as Senior Vice President and Head of Research and Development for the pharmaceutical company, ICN Pharmaceuticals Inc. (“ICN”). Prior to joining ICN, Dr. Lau served as the Senior Director of Antiviral Therapy Research at the pharmaceutical company, Schering-Plough Corporation. Dr. Lau has contributed more than 200 scientific publications, editorials/reviews and chapters in peer reviewed scientific journals and has edited two books. He was a Director of the Board of Chelsea Therapeutics International, Ltd., a pharmaceutical company, serving as the Chair of the Audit and Risk Management Committee as well as the Corporate Governance Committee. He previously served on the board of Porton Fine Chemicals Ltd., a pharmaceutical company now known as Porton Pharma Solutions Ltd. (“Porton”). Dr. Lau has received a notice from the China Securities Regulatory Commission (“CSRC”) in connection with his board service proposing that he pay an administrative fine of RMB 100,000 (approximately \$14,150) in connection with certain accounting and compliance infractions at Porton that occurred while he served as a director. Dr. Lau has submitted a letter to the CSRC to oppose the proposed fine. Dr. Lau also serves on the board of directors of private companies including Avalon Biomedical and AiViva Biopharma, Inc., as well as serving the Hong Kong X-Tech Startup platform as a general partner and mentor. He is also an Executive Board Member of the charity Project Vision and is an honorary professor/adjunct professor of the University of Hong Kong, Hong Kong Polytechnic University and Chongqing Southwestern Hospital, and a member of the Advisory Board of the School of Biomedical Sciences of the Chinese University of Hong Kong. Dr. Lau received his medical degree (M.B.B.S.) and medical doctorate degree (M.D.) from the University of Hong Kong. He is also a Fellow of the Royal College of Physicians.

We believe that Dr. Lau serves as a valuable member of our Board due to the perspective and experience he brings as our Chairman and Chief Executive Officer.

#### ***Jordan Kanfer***

Mr. Kanfer has served as a member of our Board since April 2019. Jordan Kanfer has served as a Managing Director, Convertible and Equity Research at Opti Capital Management, where he is responsible for all aspects of healthcare investing for both credit and equity components, since March 2018. He is currently a member of the American College of Healthcare Executives and serves on the Board of Advisors for dB Diagnostics Systems. Mr. Kanfer’s investment management experience includes working in various managerial and senior analyst roles, most recently for Arrowgrass Capital Partners from July 2014 to February 2018, and previously at TPG-Axon Capital, JANA Partners, and SAC Capital. Prior to working on the buy-side, Mr. Kanfer was a Vice President at Goldman, Sachs & Co., and previously worked in the healthcare industry in multiple consulting and operations capacities. He received an M.P.H. from the University of Massachusetts at Amherst and a B.A. in history from Yeshiva University.

We believe that Mr. Kanfer serves as a valuable member of our Board due to his extensive financial experience.

#### ***John Tiong Lu Koh***

Mr. Koh has served as a member of our Board since April 2019. John Koh also serves as an independent director of Kris Energy and Aurora Mobile Limited (Nasdaq: JG). He is Chairman of the Audit Committees of JG and Kris Energy and a Lead Independent Director for Kris Energy. He has also served as a Senior Adviser to Global Counsel, a UK policy advisory business, since April 2016 and as Director of its Singapore company since March

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2016. Mr. Koh has over 30 years of experience in investment banking and law having been a Managing Director and Senior Advisor of the Goldman Sachs Group until 2005. Prior to joining Goldman Sachs in 1999, Mr. Koh spent 19 years as a lawyer, including 7 years with Milbank Tweed and Paul Weiss, as well as serving in the Singapore Attorney-General's Chambers office. Mr. Koh has an active interest in the arts and the book business as the owner of Bernard Quaritch Ltd., London's oldest antiquarian bookseller. He is on the development board of Oxford University's Bodleian Library and advisory committees of the Victoria & Albert Museum and the Chelsea Physic Garden. Mr. Koh received a Singapore government scholarship to read economics and law at Trinity College, Cambridge and is also a graduate of Harvard Law School. He is also the author of the biography of Singapore's first Chief Justice published in 2008 by the Singapore Academy of Law.

We believe that Mr. Koh serves as a valuable member of our Board due to his experience serving on other boards of directors and in investment banking and law.

### **Required Vote**

The Class III director nominees receiving a plurality of the affirmative votes cast at the meeting shall be elected as Class III directors.

Votes withheld will have no legal effect on the election of directors. Under the rules of the New York Stock Exchange, which are also applicable to companies listed on the Nasdaq Global Select Market, brokers are not permitted to vote shares held for a customer on "non-routine" matters without specific instructions from the customer. As such, broker non-votes will have no effect on the outcome of this proposal.

### **Recommendation of the Board**

Our Board recommends you vote FOR the three Class III director nominees listed above.

### **Other Directors Not Up for Re-election at this Meeting**

#### **Class I Directors**

##### ***Benson Kwan Hung Tsang***

Mr. Tsang has served as a member of our Board since July 2018. Mr. Tsang brings over 30 years of financial and general management experience to Athenex. Mr. Tsang has served as a partner of Hongsen Investment Management Limited, the GP of Hongsen Investment Fund LP since January 1, 2020. From July 2015 to present, through his consulting firm, Benita Consulting Company, he provides financial and operational advisory services to companies in Canada and China. From March 2010 to June 2015, Mr. Tsang served as the Chief Financial Officer of ATA Inc. From July 2006 to February 2009, Mr. Tsang held the role of Chief Financial Officer of WuXi Pharmatech Inc. where he played a crucial role in the company's successful IPO in 2007. Mr. Tsang was appointed as an independent director of Pharmaron Beijing Co., Ltd. in November 2019. Previously, from November 2011 to March 2013, he served as an independent director of Shangpharma Corp. Mr. Tsang has also held senior positions at PCCW Ltd., Imation Corp., Coopers & Lybrand and D&T. He is a member of the Chartered Professional Accountants of Canada and the Hong Kong Institute of Certified Public Accountants. Mr. Tsang holds a Bachelor of Commerce degree and an MBA from McMaster University in Ontario, Canada.

We believe that Mr. Tsang serves as a valuable member of our Board due to his extensive financial and management experience.

##### ***Jinn Wu***

Dr. Wu has served as a member of our Board since April 2007. In 1987, Dr. Wu founded XenoBiotic Laboratories, Inc., or XBL, in Plainsboro, New Jersey, a contract research organization that provides an extensive array of clinical and preclinical research services to the biotechnology and pharmaceutical industries, and he

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served as its President until September 2014. Since then, Dr. Wu has served as Chief Scientific Officer and Senior Vice President of WuXi AppTec from 2015 to 2016 and, from 2017 through October 2018, as Scientific Strategic Advisor to WuXi AppTec Group. Dr. Wu has served as Chairman of the Board of AiViva Biopharma since 2016 and a member of the board of directors of Handa Biopharmaceuticals, Inc. since 2017. Dr. Wu earned a Ph.D in Natural Products and Medicinal Chemistry from Ohio State University and spent several years as a research scientist at FMC Corporation (NYSE: FMC) before founding XBL. He is an adjunct professor at the Rutgers School of Biomedical and Health Sciences and is a member of the American Association of Pharmaceutical Scientists, the International Society for the Study of Xenobiotics, the American Society of Pharmacognosy and the American Chemical Society.

We believe that Dr. Wu serves as a valuable member of our Board due to his extensive medical experience and experience with clinical and preclinical research services.

### ***Stephanie Davis***

Ms. Davis has served as a member of our Board since April 2019. She is currently a Senior Client Partner at Korn Ferry, where she has led the Private Equity/Technology markets in North America since August 2017 and is a core member of the CEO & Board practices. Prior to joining Korn Ferry, Ms. Davis spent 17 years at Spencer Stuart, another leading global executive search firm where she was a member of the CEO & Board Practice. Earlier in her career, she led the international division of educational software company, Jostens Learning Corporation, and was a management consultant with McKinsey & Company. Throughout her career, Ms. Davis has been active with nonprofits, and is currently serving as a Trustee Emeritus for The Buckley School. Previously she has served as a National Trustee for The Boys & Girls Clubs of America and as a board member for Los Angeles Team Mentoring. Ms. Davis is a member of the board of directors of Software Acquisition Group, Inc. (NASDAQ: SAQN), since November 2019 and is the chair of the compensation committee and member of the audit committee. Ms. Davis is a frequent speaker on board governance and women in the boardroom, including: Princeton University's She ROARS Conference 2018, "Earning your Stripes: The Journey to Board Membership"; Harvard Business School Reunion 2017, "Women on Boards"; and several corporate conferences. She is a founding sponsor of "2020 Women on Boards" national campaign, and member of WomenCorporateDirectors. Ms. Davis earned her Master of Business Administration from Harvard Business School and Bachelor of Science in Engineering, cum laude, from Princeton University.

We believe that Ms. Davis serves as a valuable member of our Board due to her expertise in corporate governance, executive compensation and executive leadership qualifications.

### **Class II Directors**

#### ***Kim Campbell***

The Right Honourable Kim Campbell has served as a member of our Board since October 2015 and is currently our Lead Independent Director. In 1993, Ms. Campbell served as Canada's nineteenth and first female Prime Minister. More recently, Ms. Campbell has served as the Founding Principal of Peter Lougheed Leadership College at the University of Alberta from 2014 to 2018 and as a professional speaker since 2001. She previously held cabinet portfolios as Minister of Justice and Attorney General, Minister of Indian Affairs and Northern Development and Minister of National Defence and Minister of Veterans' Affairs. She was the first woman to hold the Justice and Defence portfolios, and the first woman to be Defence Minister of a NATO country. Ms. Campbell participated in major international meetings including the Commonwealth, NATO, the G-7 Summit and the United Nations General Assembly. After her tenure as Prime Minister, Ms. Campbell was a fellow at the Institute of Politics (Spring 1994) and the Shorenstein Center on Media, Politics and Public Policy (1994-1995) at the Harvard Kennedy School of Government. She served as the Canadian Consul General in Los Angeles (1996-2000), then returned to Harvard to teach at the Center for Public Leadership at the Kennedy School (2001-2004).

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Ms. Campbell is a founding member of the World Leadership Alliance Club de Madrid, an organization of former heads of government and state who work to promote democratic values, where she served as Secretary General (2004-2006). She has also served as its Acting President in 2002, its Vice President in 2003-2004 and served on its board of directors from 2007-2011 and from 2019 to present. Ms. Campbell was a member and chair emerita of the Council of Women World Leaders (1993-2003). The Council's membership consists of women who hold or have held the office of President or Prime Minister. Ms. Campbell is a member of the International Women's Forum (IWF), a global organization of women of significant and diverse achievement. She served as IWF's president (2003-2005) and was inducted into the IWF Hall of Fame in 2008.

Ms. Campbell is the Chair of the Independent Advisory Board for Supreme Court of Canada Appointments and is a trustee of the International Center for the Study of Radicalisation and Political Violence at King's College London. She is a member of the Pacific Council on International Policy, the West Coast affiliate of the Council on Foreign Relations, and the Global Council of the Asia Society of New York. She is on the advisory board of Equal Voice and an honorary patron of Informed Opinions. She is also a senior advisor to the Crisis Group and an honorary board member of the Climate Action Reserve and previously served as a trustee of the Salk Institute for Biological Studies (2007-2010). Ms. Campbell earned her B.A. in political science and LL.B. from the University of British Columbia.

We believe that Ms. Campbell serves as a valuable member of our Board due to her extensive experience serving on the boards of directors of a variety of other entities over the course of her career.

### ***Manson Fok***

Dr. Fok has served as a member of our Board since June 2015. Since March 2019, Dr. Fok has served as Dean of the Faculty of Medicine at Macau University of Science and Technology (MUST). From June 2013 to February 2019, Dr. Fok served as Dean, Faculty of Health Science at MUST. Dr. Fok has also served as chairman of Virtus Medical Group since January 2018. Prior to his service at MUST, beginning in October 2011 and until 2014, Dr. Fok served as the chairman of Pedder Clinic, a private medical practice in Hong Kong. He is also the Hospital Director of University Hospital at MUST; President of the Macau Healthcare Management and Promotion Association; Censor-in-Chief, World Chinese Doctors' Association; Honorary Fellow, Chinese College of Surgeons; committee member, the Council for Medical Affairs in Macau SAR, as well as the Academy of Medicine of Macau SAR, among many other leadership positions. Dr. Fok is also a director of Avalon Biomedical (Management) Limited ("Avalon BioMedical"), an investment holding company with a focus on Asian life sciences development and commercialization. Dr. Fok was awarded the 2014 Gusi Peace Prize in Humanitarianism for his remarkable contributions to medical education, healthcare delivery and cross-border biotechnology developments that act as a bridge within Asia and across continents. From 2016 to 2018, Dr. Fok served as the president of the same Peace Prize Foundation to continue promoting peace, cooperation and healthcare development in the Asia-Pacific region. After receiving his medical degree (M.B.B.S.) from the University of Hong Kong in 1982, Dr. Fok was appointed faculty in the Surgical Unit of the University of Hong Kong. Dr. Fok has published many original research papers in high-ranking international medical journals and chapters in various academic books focusing on minimally invasive treatment for esophageal surgery.

We believe that Dr. Fok serves as a valuable member of our Board due to his extensive knowledge of cross-border biotechnology developments that act as a bridge between the United States and Asia.

### ***John Moore Vierling***

Dr. Vierling has served as a member of our Board since April 2019. Dr. Vierling has served as a tenured Professor of Medicine and Surgery and Chief of Hepatology at the Baylor College of Medicine in Houston, Texas since 2005. He is also Director of Advanced Liver Therapies (a clinical research unit for adult liver diseases), Baylor Liver Health (a program for liver wellness) and Program Director of the Hepatology and Liver Transplantation Fellowship. He obtained his AB in Biology with Great Distinction from Stanford University and received his MD degree from Stanford University School of Medicine. He is ABIM certified in internal medicine

and gastroenterology, and was formerly certified in Transplant Hepatology. He was the founding Medical Director of Liver Transplantation at both the University of Colorado Health Sciences Center and Cedars-Sinai/UCLA Medical Center, where he was Director of Hepatology beginning in 1990 and later Medical Director of Multi-Organ Transplantation. His clinical interests include autoimmune and alloimmune liver diseases, liver transplantation, hepatobiliary cancers, acute liver failure, viral hepatitis, non-alcoholic fatty liver disease, Wilson disease and drug-induced liver injury (“DILI”). His translational research interest is immunologic mechanisms of hepatobiliary injury in autoimmune and alloimmune liver diseases, cancer immunotherapy, DILI, viral hepatitis and acute liver failure. He has authored over 250 manuscripts, reviews and chapters. Honors include Phi Beta Kappa, Alpha Omega Alpha, Best Doctors in America, Top 1% physician rating by U.S. News and World Report, Who’s Who in America, Who’s Who in the World, Who’s Who in Science and Engineering and Who’s Who in Healthcare. He currently serves on the National Institutes of Health and National Institute of Diabetes and Digestive and Kidney Diseases Liver Tissue and Cell Distribution System Coordinating Committee and the DSMB for their DILI Network. He also has served as President of the American Association for the Study of Liver Diseases, Secretary-Treasurer of Digestive Disease Week® and chairman of the National board of directors of the American Liver Foundation.

We believe that Dr. Vierling serves as a valuable member of our Board due to his extensive medical experience and experience with clinical research.

## CORPORATE GOVERNANCE MATTERS

### Information about our Board

Our Board consists of nine directors, seven of whom are considered independent directors, as defined in the currently applicable Nasdaq Stock Market listing standards. The directors who are not considered independent are Dr. Fok, who is deemed not to be independent because he had a material relationship with us within the last three years, and our Chief Executive Officer, Johnson Y.N. Lau. Our amended and restated certificate of incorporation and amended and restated bylaws provide that the number of directors on the Board may be determined from time to time by resolution of the Board. Our Board is currently divided into three classes, as follows:

- Class I, which consists of Stephanie Davis, Benson Tsang and Jinn Wu, whose current terms will expire at our annual meeting of stockholders to be held in 2021;
- Class II, which consists of Kim Campbell, Manson Fok and John Vierling, whose terms will expire at our annual meeting of stockholders to be held in 2022; and
- Class III, which consists of Johnson Y.N. Lau, Jordan Kanfer and John Koh, whose terms will expire at this Annual Meeting.

Upon the expiration of the initial term of office for each class of directors, nominees for such class shall be elected for a term of three years and serve until a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Any additional directorships resulting from an increase in the number of directors or a vacancy will be filled by the directors then in office. Because only one-third of our directors will be elected at each annual meeting, two consecutive annual meetings of stockholders could be required for the stockholders to change a majority of the Board.

As Chairman of the Board, Dr. Lau has authority to, among other things, call and preside over meetings of our Board, set meeting agendas in consultation with the chairs of the committees of the Board and with the approval of the Lead Independent Director, and perform such other duties and responsibilities as requested by the Board. Accordingly, Dr. Lau, along with the Lead Independent Director, has the ability to shape the work of the Board. We believe Dr. Lau's experience at the Company and on other public company boards allows him to possess detailed and in-depth knowledge of the issues, opportunities, and challenges facing the Company and our business, and therefore, positions him well to develop agendas with the chairs of the committees of our Board and the Lead Independent Director that ensure our Board's time and attention are focused on critical matters.

We believe that combining the positions of Chief Executive Officer and Chairman of the Board helps to ensure that our Board and management act with a common purpose. In our view, separating the positions of Chief Executive Officer and Chairman has the potential to give rise to divided leadership, which could interfere with good decision-making or weaken our ability to develop and implement strategy. Instead, we believe that combining the positions of Chief Executive Officer and Chairman provides a single, clear chain of command to execute our strategic initiatives and business plans. In addition, we believe that a combined Chief Executive Officer and Chairman is better positioned to act as a bridge between management and our Board, facilitating the regular flow of information. While our Board believes the combination of these positions has served us well, and intends to maintain this combination of roles where appropriate and practicable, our Board may separate the positions of Chief Executive Officer and Chairman of the Board in the future.

When the Chairman of the Board and Chief Executive Officer are one person, a majority of our Board's independent directors designate a Lead Independent Director to provide additional independent leadership and oversight to our Board. The Lead Independent Director serves as a liaison between the Chairman of the Board and the independent directors, leads executive sessions of the Board, leads the Board in discussions concerning the Chief Executive Officer's employment, performance, compensation and dismissal, approves meeting agendas

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and meeting schedules for our Board, approves information sent to the Board, is available for consultation and direct communication if requested by major stockholders and performs such other duties and responsibilities as requested by the Board. Ms. Campbell is currently the Lead Independent Director.

### **Director Independence**

Our Board has determined that each of Drs. Vierling and Wu, Mses. Campbell and Davis, and Messrs. Koh, Kanfer and Tsang are “independent” as defined in the currently applicable Nasdaq Stock Market listing standards. Additionally, Mr. Trainor-De Girolamo, who served as director for part of the 2019 fiscal year, was considered independent. Each member of our Audit Committee, Compensation Committee and Nominating and Governance Committee are “independent” as defined in the currently applicable Nasdaq Stock Market listing standards, and each member of our Audit Committee and Compensation Committee also meet the heightened standard of “independence” under the Nasdaq Stock Market listing standards for Audit Committee and Compensation Committee members, as applicable.

### **Family Relationships**

There is no family relationship between any director, executive officer or person nominated to become a director or executive officer of the Company.

### **Executive Sessions of Independent Directors**

In order to promote open discussion among independent directors, our Board has a policy of regularly conducting executive sessions of independent directors at scheduled meetings led by the Lead Independent Director and at such other times requested by other independent directors. Executive sessions do not include Drs. Lau and Fok.

### **Selection of Nominees for the Board**

For each meeting of stockholders to elect members of the Board, our Nominating and Governance Committee will recommend that the Board nominate qualified candidates whom our Nominating and Governance Committee has evaluated to stand for election to the Board. In addition, our Nominating and Governance Committee is responsible for establishing the procedures for our stockholders to nominate candidates to the Board. The committee has not formulated any specific minimum qualifications for director candidates, but has determined certain desirable characteristics, including experience, integrity, competence, diversity, skills, industry knowledge and independence. One of the core functions of our Nominating and Governance Committee is to provide assistance to the Board in ensuring the diversity of the Board. While we do not have a formal policy regarding the consideration of diversity in identifying nominees for director, we do seek out individuals who will bring a diversity in perspectives, experiences and background to the Board.

Our Nominating and Governance Committee will consider nominations for director candidates by our stockholders. Stockholders may submit candidates for nomination to the Board based on the criteria set forth by the Nominating and Governance Committee and the Board in accordance with the procedures set forth in our amended and restated bylaws.

Stockholders wishing to recommend a candidate for nomination should submit such nomination in writing in accordance with the section below entitled “Communications with the Board.” Our Nominating and Governance Committee evaluates nominees recommended by stockholders in the same manner in which the committee evaluates nominees recommended by other persons as well as its own nominee recommendations.

### **Information Regarding Meetings of the Board and Committees**

During 2019, our Board held seven meetings. During 2019, our Audit Committee, Compensation Committee and Nominating and Governance Committee, collectively held nine meetings.

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All of our directors attended at least 75% of the aggregate of all meetings of the Board and the committees on which he or she served during 2019. We do not have a formal written policy with respect to directors' attendance at our annual meetings of stockholders. One of our directors attended our 2019 annual meeting of stockholders.

### Board Committees

#### Committees of the Board

Our Board directs the management of our business as provided by Delaware law and conducts its business through meetings of the Board and its committees. The composition of these Board committees complies, when required, with the Nasdaq Stock Market listing standards and applicable law. The following table provides membership information of our directors in each of our Audit Committee, our Compensation Committee, our Nominating and Governance Committee and our Finance Committee as of April 15, 2020:

	Audit Committee	Compensation Committee	Nominating and Governance Committee	Finance Committee
Kim Campbell			● ■ ■ ■	
Stephanie Davis		● ■ ■	● ■ ■	
Manson Fok				
Jordan Kanfer	● ■ ■			● ■ ■
John Tiong Lu Koh	● ■ ■			● ■ ■
Johnson Y.N. Lau, M.D.				● ■ ■
Benson Kwan Hung Tsang ■	● ■ ■	● ■ ■		● ■ ■
John Vierling, M.D.		● ■ ■		
Jinn Wu, Ph.D.			● ■ ■	

● = Committee Chair  
 ■ = Committee Member  
 ■ = Audit Committee Financial Expert

Our Board's Finance Committee was constituted in 2019. Further, from time to time, other committees may be established under the direction of the Board when necessary to address specific issues. Our Board has adopted written charters for each of our Audit Committee, our Compensation Committee, our Nominating and Governance Committee and Finance Committee, all of which are available under *Investor Relations—Corporate Governance—Governance Highlights* section of our website at [www.athenex.com](http://www.athenex.com).

#### Audit Committee

Our Audit Committee consists of Messrs. Tsang (Chair), Kanfer and Koh. Each of Messrs. Tsang, Kanfer and Koh satisfy the independence requirements of Rule 5605(a)(2) and Rule 5605(c) of the Nasdaq Stock Market listing standards and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our Audit Committee met four times during our 2019 fiscal year.

Our Audit Committee is responsible for, among other things:

- overseeing our corporate accounting and financial reporting processes, our internal audit function, and the audit of our financial statements by our independent registered public accounting firm;
- reviewing the qualifications, independence and performance of our independent registered public accounting firm, appointing the independent registered public accounting firm and determining and approving the fees paid to such firm;
- monitoring the quality and integrity of our financial statements and reports;

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- reviewing the results of the annual audit, including recommending their inclusion in our annual report, and reviewing quarterly financial statements and the disclosures in our periodic reports filed with the SEC;
- periodically reviewing the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by the independent registered public accounting firm and our senior management, and reviewing and evaluating the organization and performance of our internal audit function;
- reviewing the results of management’s efforts to monitor financial and regulatory compliance with our programs and policies designed to ensure adherence to applicable laws and rules, as well as to its Code of Business Conduct and Ethics, including review and approval of related party transactions as applicable;
- preparing the Audit Committee Report to be included in our annual proxy statement;
- reviewing our guidelines and policies with respect to risk assessment and risk management, including major financial risk exposures and the steps taken by management to monitor and control these exposures; and
- overseeing, with our Compensation Committee, our compensation policies and practices to avoid creating risks that are reasonably likely to have a material adverse effect on us.

Our Board has affirmatively determined that Mr. Tsang is qualified as the “audit committee financial expert” as such term is defined in Item 407(d)(5) (ii) of Regulation S-K promulgated by the SEC. The designation does not impose on Mr. Tsang any duties, obligations or liabilities that are greater than those generally imposed on members of the Audit Committee and the Board.

Both our independent registered public accounting firm and internal financial personnel regularly meet privately with our Audit Committee and have unrestricted access to this committee.

### *Compensation Committee*

Our Compensation Committee consists of Ms. Davis (Chair) and Mr. Tsang and Dr. Vierling. Each of Ms. Davis, Mr. Tsang and Dr. Vierling satisfy the independence requirements of Rule 5605(a)(2) and Rule 5605(d) of the Nasdaq Stock Market listing standards. Our Compensation Committee met three times during our 2019 fiscal year.

Our Compensation Committee is responsible for, among other things:

- reviewing our overall compensation philosophy, goals and objectives and establishing, reviewing and approving policies regarding our executive compensation programs and practices;
- reviewing and recommending to our Board compensation for our chief executive officer, other executive officers and members of our Board;
- evaluating the performance of the chief executive officer based on the goals and objectives established for the chief executive officer, including our performance, relative stockholder returns, compensation programs at comparable companies, and past awards to the chief executive officer;
- reviewing and recommending to our Board annual and long-term incentive compensation plans for executive officers and any employment, compensation or retirement arrangements with the executive officers;
- reviewing, administering and, if necessary, revising our 401(k) plan, any deferred compensation plans, and any additional employee benefit plans;
- reviewing with management our major compensation-related risk exposures and the steps management has taken, or should consider taking, to monitor or mitigate such exposures;

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- engaging, managing and reviewing the performance of any compensation consultant providing us services;
- overseeing our compliance with regulatory requirements associated with compensation of our directors, executive officers and other employees, including reviewing executive compensation disclosures, any conflict of interest disclosure with regard to any compensation consultant retained by our Compensation Committee, and any other compensation disclosure prepared in response to disclosure requirements to the extent applicable to us; and
- reviewing the stockholder advisory vote on say-on-pay.

Pursuant to its written charter, our Compensation Committee has the authority to engage the services of a compensation consultant, legal counsel and other outside advisors as it deems appropriate to assist it in the evaluation of the compensation of our directors, principal executive officer or other executive and non-executive officers, and in the fulfillment of its other duties.

### *Nominating and Governance Committee*

Our Nominating and Governance Committee consists of Ms. Campbell (Chair) and Davis and Dr. Wu. All members of our Nominating and Governance Committee are independent directors, as defined in Rule 5605(a)(2) of the Nasdaq Stock Market listing standards. Our Nominating and Governance Committee met twice during our 2019 fiscal year.

Our Nominating and Governance Committee is responsible for, among other things:

- identifying and screening candidates for our Board, and recommending nominees for election as directors;
- reviewing and evaluating any candidates for our Board submitted by our stockholders;
- monitoring and safeguarding the independence of our Board, including evaluating any conflicts of interest;
- developing and recommending to our Board a set of corporate governance guidelines, as well as reviewing these guidelines and recommending any changes to our Board;
- reviewing the structure of our Board's committees and recommending to our Board for its approval directors to serve as members of each committee, and where appropriate, making recommendations regarding the removal of any member of any committee;
- evaluating our Board and management on an annual basis;
- reviewing and monitoring our Code of Business Conduct and Ethics, or Code of Conduct, and evaluating management's communication of the importance of our Code of Conduct; and
- generally advising our Board on corporate governance and related matters.

### *Finance Committee*

The Finance Committee consists of Dr. Lau (Chair) and Messrs. Kanfer, Koh and Tsang. The Finance Committee met four times during our 2019 fiscal year. In addition to any duties and responsibilities assigned to the committee from time to time by our Board, the Finance Committee is responsible for:

- reviewing and approving changes to our capital structure, including equity and debt issuances and redemptions;
- reviewing, negotiating and approving proposed credit facilities, letters of credit, borrowings and guarantees requiring Board approval; and
- reviewing, negotiating and approving proposed equity offerings of the Company.

## **Risk Oversight**

While our senior management has responsibility for the management of risk, our Board plays an important role in overseeing this function. Our Board regularly reviews our market and business risks during its meetings and, since its formation, each of its committees began overseeing risks associated with its respective area of responsibility. In particular, our Audit Committee oversees risk related to our accounting, tax, financial and public disclosure processes. It also assesses risks associated with our financial assets and risks related to cybersecurity. Our Compensation Committee oversees risks related to our compensation and benefit plans and policies to ensure sound pay practices that do not cause risks to arise that are reasonably likely to have a material adverse effect on us. Our Nominating and Governance Committee seeks to minimize risks related to our governance structure by implementing sound corporate governance principles and practices. Each of our committees reports to the full Board as appropriate on its efforts at risk oversight and on any matter that rises to the level of a material or enterprise level of risk.

In addition, to bolster our Board's ability to fulfill its risk oversight function, our Nominating and Governance Committee is responsible for developing and overseeing an orientation program for new directors and a continuing education program for all directors. Our Board believes that director orientation and continuing education is essential to valuable Board participation and decision making. In addition, portions of certain Board meetings will be devoted to educational topics at which senior management and outside subject matter experts present information regarding matters such as our industry, business operations, strategies, objectives, risks, opportunities, competitors and important legal and regulatory issues. We encourage directors to periodically pursue or obtain appropriate programs, sessions or materials and we will reimburse directors for reasonable expenses in accordance with our policy.

## **Code of Business Conduct and Ethics**

Our Board has adopted a Code of Conduct that establishes the standards of ethical conduct applicable to all directors, executive officers and employees of the Company and addresses, among other things, conflicts of interest, corporate opportunities, regulatory reporting, corporate communications and confidentiality requirements. The Code of Conduct also addresses, among other things, keeping appropriate records to ensure proper disclosure controls and procedures and internal controls over financial reporting. We intend to disclose any amendments to the Code of Conduct, or any waivers of its requirements, on our website to the extent required by the applicable rules and exchange requirements. Our Nominating and Governance Committee is responsible for applying and interpreting our Code of Conduct in situations where questions are presented to it. Our Audit Committee, in conjunction with our Nominating and Governance Committee, monitors the employee hotline for concerns relating to the Code of Conduct and accounting or auditing concerns. Our Code of Conduct is posted under *Investor Relations—Corporate Governance—Governance Highlights* section of our website at [www.athenex.com](http://www.athenex.com).

## **Communications with the Board**

Stockholders who wish to communicate with members of our Board, including the independent directors individually or as a group, may send correspondence to their attention, care of our Corporate Secretary at our principal executive offices at 1001 Main Street, Suite 600, Buffalo, NY 14203. Any stockholder communications will be forwarded to the intended recipient(s). We currently do not intend to have our Corporate Secretary screen this correspondence, but we may change this policy if directed by our Board due to the nature or volume of the correspondence.

## DIRECTOR COMPENSATION

After taking into account managements' reports on director compensation practices at comparable public companies, our Board determines the compensation of its members. In accordance with our Corporate Governance Guidelines, a significant component of our Board's compensation is stock-based, which we utilize together with cash compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the time commitment and skill level required of members of our Board in addition to the competitive market for director compensation.

The following table sets forth the total compensation earned by each of our non-employee directors in 2019.

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and nonqualified deferred compensation earnings	All other compensation (\$)	Total (\$)
Kim Campbell <sup>(2)</sup>	31,500	—	120,460	—	—	—	151,960
Stephanie Davis <sup>(3)</sup>	28,500	—	127,739	—	—	—	156,239
Manson Fok <sup>(4)</sup>	25,500	—	80,307	—	—	—	105,807
Jordan Kanfer <sup>(5)</sup>	25,500	—	92,240	—	—	—	117,740
John Tiong Lu Koh <sup>(6)</sup>	35,000	—	92,240	—	—	—	127,240
Benson Kwan Hung Tsang <sup>(7)</sup>	43,500	—	140,536	—	—	—	184,036
Sheldon Trainor-DeGirolamo <sup>(8)</sup>	9,000	—	—	—	—	—	9,000
John Moore Vierling <sup>(9)</sup>	22,500	—	92,240	—	—	—	114,740
Jinn Wu <sup>(10)</sup>	29,500	—	120,460	—	—	—	149,960
Song-Yi Zhang <sup>(11)</sup>	7,000	—	—	—	—	—	7,000

1. Represents aggregate grant date fair value of the awards under FASB ASC Topic 718, Compensation—Stock Compensation. Amounts are determined using the Black-Scholes Method and the assumptions set forth in Note 13, Stock-Based Compensation to our audited financial statements contained in our 2019 Annual Report on Form 10-K.
2. Ms. Campbell held options to acquire 96,000 shares of our common stock as of December 31, 2019.
3. Ms. Davis held options to acquire 17,500 shares of our common stock as of December 31, 2019.
4. Dr. Fok held options to acquire 336,000 shares of our common stock as of December 31, 2019.
5. Mr. Kanfer held options to acquire 12,500 shares of our common stock as of December 31, 2019.
6. Mr. Koh held options to acquire 12,500 shares of our common stock as of December 31, 2019.
7. Mr. Tsang held options to acquire 27,250 shares of our common stock as of December 31, 2019.
8. Mr. Trainor-DeGirolamo resigned from the Board as of March 18, 2019.
9. Dr. Vierling held options to acquire 12,500 shares of our common stock as of December 31, 2019.
10. Dr. Wu held options to acquire 260,000 shares of our common stock as of December 31, 2019.
11. Mr. Zhang resigned from the Board as of March 25, 2019.

### **Narrative to Director Compensation Table**

In February 2019, the Board approved the following compensation for our non-employee directors: (i) an annual retainer of \$26,000 and 10,000 stock options and (ii) a fee of \$4,000 and options to acquire 2,500 shares of our common stock for each committee on which they serve. The chairs of each of our Audit Committee, Compensation Committee and Nominating and Governance Committee are compensated in the form of a \$12,000, \$8,000 and \$6,000 retainer, respectively, and each receives an annual award of stock options to acquire 5,000 shares of our common stock.

Directors are also entitled to fees for extra committee meetings in the following amounts: (i) Audit Committee members receive \$1,000 for each additional meeting in the event more than four meetings are held in a given year, (ii) Compensation Committee members receive \$500 for each additional meeting in the event more than four meetings are held in a given year and (iii) Nominating and Governance Committee members receive \$500 for each additional meeting in the event more than two meetings are held in a given year.

Amounts set forth in the table above reflect (i) a quarterly payment of \$6,000 towards the director retainer in the first quarter of 2019 based on the \$24,000 retainer in place prior to February 2019 and the remaining quarterly payments of \$6,500 reflect the \$26,000 retainer for their service in 2019; (ii) an extra payment to the members of the Audit Committee of \$1,000 as there were five meetings of the Audit Committee in 2019; (iii) for certain members of the Board who either joined or exited the Board in 2019, the above amounts in the table reflect the prorated amounts they received based on their service; and (iv) prorated fees for members of the Finance Committee as the committee was constituted in late 2019. No retainer was paid to Dr. Lau for his service as the chair of the Finance Committee.

All directors are entitled to reimbursement of their reasonable out-of-pocket expenses for attendance at Board and committee meetings.

## EXECUTIVE OFFICERS

The following table provides information with respect to our executive officers as of April 15, 2020:

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Johnson Y.N. Lau, M.D.	59	Chief Executive Officer and Chairman of the Board
Jeffrey Yordon	71	Chief Operating Officer and President, Athenex Pharmaceutical Division
Rudolf Kwan, M.B.B.S.	67	Chief Medical Officer
Simon Pedder, Ph.D.	59	Chief Business and Strategy Officer, Proprietary Products
Randoll Sze	39	Chief Financial Officer
William Zuo	58	President, China Division

The following is a biographical summary of the experience of our executive officers, other than Dr. Lau, whose biography appears above in “Proposal One—Election of Directors—Class III Director Nominees.”

### ***Jeffrey Yordon***

Mr. Yordon joined our company as President, Athenex Pharmaceutical Division in April 2016 and in February 2017 he was appointed as our Chief Operating Officer. Mr. Yordon has held multiple senior management positions in the pharmaceutical industry over the last 46 years. Mr. Yordon was the Founder, Chairman and Chief Executive Officer of Sagent Pharmaceuticals from 2007 until joining us in 2016. Prior to that, Mr. Yordon was the COO of American Pharmaceutical Partners where he was a co-founder until the company was eventually sold to Fresenius. Mr. Yordon was the CEO of Faulding Pharmaceuticals, CEO and founder of YorPharm, COO of Gensia Pharmaceuticals and he was involved in the sale of each of these companies to Apotex, Teva and Hospira, respectively. Mr. Yordon was an Ernst & Young Entrepreneur of the Year in 2011, was inducted into the Chicago Entrepreneur Hall of Fame in 2014, won a prestigious Innovation Award from the City of Chicago, was appointed to the Chicago Innovation Council in 2014, was appointed by Governor Rauner to the Illinois Sports Facilities Authority in 2015, has been appointed to be the Chairman of the Board of the Northern Illinois University Foundation, is the Chair of the NIU Political Science Advisory Panel and is actively involved in the NIU Athletic program. Mr. Yordon received a B.A. in Political Science from Northern Illinois University.

### ***Rudolf Kwan***

Dr. Kwan has served as our Chief Medical Officer since 2014 and has advised our company since 2008. Until February 2017, Dr. Kwan was engaged on a consultant basis. Dr. Kwan has over 20 years of experience in the pharmaceutical industry in global clinical development and operations. Before joining us, he served dual roles at Schering-Plough as Vice President and Regional Head of Asia Pacific Global Clinical Operations and Vice President of Global Clinical Development (“CNS”). In the clinical operations position, Dr. Kwan successfully recruited Heads of Clinical Operations for China, South East Asia, Australia, Taiwan and South Korea and set up the infrastructure to conduct global clinical trials in Asia Pacific for Schering-Plough. As Vice President of Global CNS he was responsible for the clinical development of all Schering-Plough’s central nervous system drugs, globally, where his achievements included overseeing development and execution of a bioequivalence registration strategy for a new formulation of Temodal for glioblastoma, which led to a simultaneous global registration. He also designed and executed multiple global development programs. He held similar positions at Chiron Corporation and was at Smith-Kline Beecham. Dr. Kwan obtained his medical degree (MBBS) from the University of Hong Kong, and received subsequent training at the University of Wales and is a member of the Royal College of Physicians in the United Kingdom. He was a member and Chair of the Data Monitoring and Safety Board and Protocol Review Board for the Clinical Trial Network of the National Institute on Drug Abuse of the U.S. National Institutes of Health (NIH). He was also a member of several advisory panels and grant review panels for the NIH.

***Simon Pedder***

Dr. Pedder joined our company as Chief Business Development Officer in February 2016 and now serves as our Chief Business and Strategy Officer for Proprietary Products. Dr. Pedder has had a long career in both drug development and commercialization. This includes recent leadership roles with publicly traded biotechnology companies. He was President and CEO of Collectar Biosciences from April 2014 to June 2015. He was President and CEO of Chelsea Therapeutics from May 2004 to July 2012. Previously he was Vice President of Oncology Pharma Business, and a company officer at Hoffmann-La Roche, as well he has served as the Life Cycle Leader and Global Project Leader of Pegasys/IFN and Head of Hepatitis Franchise at Roche. Dr. Pedder has served on the board of directors of Cerecor, Inc. since April 2018. Formerly, he served on the board of directors of Mateon Therapeutics, Inc. from March 2016 to April 2019 and Delcath Systems, Inc. from November 2017 to April 2019. Dr. Pedder has served as a member of the faculty in the Department of Pharmacology in College of Medicine in the University of Saskatchewan, where he obtained his Ph.D in Pharmacology. During his longstanding career in pharmaceutical development, Dr. Pedder has led the late stage development and commercial launch of multiple proprietary pharmaceutical products. In addition to his Ph.D in Pharmacology, Dr. Pedder obtained a Master of Science in Toxicology from Concordia University, a Bachelor of Science in Environmental Studies from the University of Waterloo, and completed the Roche-sponsored Pharmaceutical Executive Management Program at Columbia Business School.

***Randoll Sze***

Mr. Sze has served as our Chief Financial Officer since August 2018. Prior to his appointment and since October 2017, Mr. Sze served as our Director of Corporate Development and Investor Relations, Asia Pacific. Prior to joining us, Mr. Sze began his career at Credit Suisse (Hong Kong) Limited (“Credit Suisse”) in 2006, and was most recently a Director in its Investment Banking and Capital Markets Division in Hong Kong, a position he held from January 2016 to September 2017. While at Credit Suisse, Mr. Sze worked primarily on financing and strategic advisory transactions for both private and public companies. Mr. Sze obtained a B.S. from University of California, Berkeley, and an M.S. degree from Columbia University.

***William Zuo***

Dr. Zuo joined our company in 2015 as President of our China operations in conjunction with our acquisition of Polymed Therapeutics. Dr. Zuo had served as President of Polymed Therapeutics since 1995 and Chairman of Chongqing Taihao Pharmaceutical since 2012. Dr. Zuo’s career has focused on the development, manufacture, and sale and marketing of various complex API on a global basis, especially injectable oncology active pharmaceutical ingredients. Dr. Zuo was the chief executive officer of the Fibrocell Science Group Companies in Asia from 2010 to 2013. Dr. Zuo oversaw the introduction of the U.S. FDA approved cell therapeutics product, LaViv, to the Asia market. He has overseen the construction of multiple current Good Manufacturing Practices (“cGMP”) facilities in China and has extensive experience with the Food and Drug Administrations in both China and the United States. Dr. Zuo received his Ph.D in Nanotechnology from Rice University where he worked extensively with Dr. Richard Smalley, the late Nobel Prize Scholar in Chemistry. Dr. Zuo also has Master degrees in Chemical Engineering and Applied Mathematics from Rice University.

## PROPOSAL TWO — ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

We are asking our stockholders to approve, on a non-binding advisory basis, our executive compensation as reported in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement.

As described below in the Compensation Discussion and Analysis, or CD&A, section of this proxy statement, our Compensation Committee has structured our executive compensation program to achieve the following key objectives:

- to attract and retain highly qualified executives;
- incentivize these executives to contribute to both short and long-term business and clinical development goals; and
- align executive compensation with the creation of long-term stockholder value.

We urge stockholders to read the CD&A section of this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative in the CD&A, which provide detailed information on the compensation of our NEOs. Our Compensation Committee and our Board believe that the policies and procedures articulated in the CD&A are effective in achieving our goals and that the compensation of our NEOs reported in this proxy statement is fair, reasonable and consistent with the objectives of our philosophy and compensation program.

Therefore, in accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking our stockholders to approve the following advisory resolution at the Annual Meeting:

**“RESOLVED, that the stockholders determine, on an advisory basis, that the compensation paid to our named executive officers, as disclosed pursuant to the Securities and Exchange Commission’s compensation disclosure rules, including the Compensation Discussion and Analysis, compensation tables and narrative discussion set forth in this Proxy Statement, is hereby APPROVED.”**

This advisory resolution, commonly referred to as a “say-on-pay” resolution, is non-binding on the Board. Although non-binding, our Board and our Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

### Required Vote

Stockholders can vote **FOR, AGAINST OR ABSTAIN** on Proposal Two.

Our Board will consider our stockholders’ preference, as reflected in the vote on Proposal Two, in determining compensation of our NEOs in the future.

### Recommendation of the Board

**The Board Recommends a vote FOR Proposal Two.**

**PROPOSAL THREE — ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

We are asking stockholders to indicate, on a non-binding, advisory basis, how frequently they believe an advisory vote on executive compensation, such as we have included in Proposal Two, should occur. By voting on this Proposal Three, stockholders may indicate whether they prefer that we hold future advisory votes on executive compensation once every one, two or three years. Stockholders may also abstain from voting. Stockholders will have an opportunity to cast an advisory vote on the frequency of future advisory votes on executive compensation at least every six years.

Our Board understands that there are different views as to what is an appropriate frequency for advisory votes on NEO compensation. After careful consideration, our Board is recommending that future say-on-pay votes occur every year. We believe that this frequency is appropriate because it provides stockholders with an opportunity to express their opinion annually as to NEO compensation, because such compensation may change from year to year.

Therefore, in accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we ask our stockholders to approve the following advisory resolution at the Annual Meeting:

**“RESOLVED, that the stockholders determine, on an advisory basis, that the frequency with which stockholders of the Company should submit an advisory vote on the compensation of the Company’s named executive officers as set forth in the Proxy Statement is ONE YEAR.”**

This advisory vote is non-binding on our Board and the Compensation Committee of the Board, and may not be construed as overruling any decision made by our Board. However, our Board and our Compensation Committee will consider the voting results on this proposal in determining the frequency of future say-on-pay votes.

**Required Vote**

Stockholders can specify one of four choices when voting on this proposal: **ONE YEAR, TWO YEARS, THREE YEARS** or **ABSTAIN**.

Our Board will consider our stockholders’ preference, as reflected in the vote on this Proposal Three in determining how frequently the advisory vote on compensation of our NEOs occurs in the future.

**Recommendation of the Board**

**The Board Recommends a vote FOR “ONE YEAR” on Proposal Three.**

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Introduction

Our Compensation Discussion and Analysis, or CD&A, describes the material elements of our executive compensation program and decisions in 2019 for our named executive officers, or NEOs, who for 2019 were:

- Johnson Y.N. Lau, our Chief Executive Officer and Chairman of the Board;
- Randoll Sze, our Chief Financial Officer;
- Jeffrey Yordon, our Chief Operating Officer and President, Athenex Pharmaceutical Division;
- Rudolf Kwan, our Chief Medical Officer; and
- Simon Pedder, our Chief Business and Strategy Officer, Proprietary Products.

Following a brief discussion of the performance highlights and key compensation decisions from 2019, we will provide an overview of our compensation framework, including discussions of our compensation philosophy and objectives along with the elements of executive compensation, followed by an outline of our compensation decision process and a discussion of our 2019 executive compensation decisions. Detailed information about our executive compensation can be found under the heading “Compensation Tables” that immediately follows this CD&A.

#### Performance Highlights from 2019

We worked throughout 2019 to advance our Oncology Innovation Platform product pipeline, develop our Commercial Platform to prepare to commercialize our later stage product candidates and build out our Global Supply Chain Platform to support our other two platforms. We realized significant progress in advancing our Oncology Innovation Platform product pipeline in 2019, notably announcing results of the Phase 3 study of Oral Paclitaxel, completing two Phase 3 studies for tirbanibulin ointment and submitting an NDA to the FDA for tirbanibulin ointment as a topical treatment for AK. We are making the necessary preparations to ensure our Commercial Platform is well positioned to enable us to quickly and effectively commercialize our product candidates when or if approved, despite setbacks around vasopressin and API production in 2019. Our Global Supply Chain platform achieved progress on a number of significant projects, including completing construction of our new API facility in Chongqing, China, and continued progress towards construction of our facility in Dunkirk, NY, while also working to address local regulatory actions that resulted in our voluntarily suspending commercial production of API at our existing facility in Chongqing, China. Our Compensation Committee determined our 2019 performance to be consistent with the target levels established by the committee and took this into consideration in determining awards under our 2019 annual incentive program.

#### Key Compensation Decisions from 2019

On the basis of our strong performance and in order to attract and retain highly qualified executives, our Compensation Committee and our Board made the following key compensation decisions for 2019:

- The base salary for each of our NEOs was increased by 5% over their 2018 base salary;
- Bonus targets as a percentage of base salary were established for our NEOs with quarterly review of executive performance by our Board;
- We awarded an aggregate of \$801,360 in annual incentive awards, ranging from 25% to 85% of our NEOs’ individual target awards, \$714,735 of which was paid in the form of grants of common stock; and
- We awarded an aggregate of 620,000 stock options to our NEOs pursuant to our long-term incentive compensation program.

## **Compensation Framework**

### ***Compensation Philosophy and Objectives***

Our executive compensation philosophy is to provide a competitive compensation package in line with similarly positioned clinical stage companies in our industry, while rewarding strong performance. In light of the extended product development timelines in our industry, we believe that executive compensation should be structured to ensure that a significant portion of our NEOs' compensation opportunity is related to factors that link to the creation of long-term stockholder value.

Our executive compensation program is designed to attract and retain highly qualified executives, incentivize these executives to contribute to both short- and long-term business and clinical development goals, and align executive compensation with the creation of long-term stockholder value. Our Compensation Committee believes the compensation program should be structured to reward the achievement of both individual performance goals in furtherance of Company-wide performance goals. The overall objective of our Compensation Committee in structuring and implementing our executive compensation policies is to ensure that our executive compensation program is aligned with the interests of our stockholders as well as our business goals, and that the total compensation paid to each of our NEOs is fair, reasonable and consistent with the objectives of our philosophy and compensation program.

Our business is quickly developing and evolving due to the dynamic stage we are in, giving rise to a need for flexibility when setting performance goals, priorities and objectives. As a result, our Compensation Committee sets goals for our NEOs at the outset of the year and actively monitors our business, meeting periodically throughout the year to reassess, reprioritize and realign goals, as necessary, to ensure that these goals are aligned with our rapidly changing business needs. We are continually evaluating various compensation programs to implement as our business evolves. The disclosures below describe our current compensation practices.

### ***Elements of Executive Compensation***

#### ***Overview of Compensation Components***

The key elements of our executive compensation program include:

- base salary, to enable us to attract and retain the talent needed to continue to develop our business and achieve our strategic priorities and long-term goals;
- an annual incentive award, tied to the achievement of performance goals; and
- long-term incentive compensation in the form of equity awards, which are typically subject to multi-year vesting based on continued service and is primarily in the form of stock options, the value of which depends on the market price of our common stock.

We also provide compensation to our NEOs in the form of other benefits, consistent with all employees, such as participation in a 401(k) plan and health and welfare plans.

#### ***Annual Base Salary***

Our Compensation Committee reviews the annual base salaries of our NEOs. In considering changes in annual base salary for 2019, our Compensation Committee considered management's proposal for our NEOs. Our Compensation Committee determined to provide for a 5% across the board increase in base salary to each of our NEOs based on a review of current pay practices and market data, using information that is generally available, including financial data and information with respect to the compensation programs and practices of clinical stage public companies in our industry from proxy statements or through widely available compensation surveys.

### *Annual Incentive Award*

Our Compensation Committee establishes a target annual incentive award amount for each NEO that is a percentage of their annual base salary. Payment of the award is tied to Company-wide goals along with individual milestones for each NEO. Each milestone is assigned a percentage of the target award amount such that achieving all the milestones would result in an award of the full target amount. In certain instances, a NEO may have milestones with aggregate percentages that exceed 100% of the target award, however, annual cash awards are capped at the pre-determined target amount. Annual targets, milestones and the related percentages are determined by our Compensation Committee on the basis of its assessment of our business for the coming year, with reference to recommendations for these items provided to our Compensation Committee by management.

Our Compensation Committee and our Board review the overall performance of our NEOs and achievement of the Company against stated goals, along with the milestones for each NEO and determines the award amount payable to such officer. While our Compensation Committee considers the established individual milestones in making an award determination, it also continually monitors changes in our business and is empowered throughout the year to adjust milestones if our business needs change such that an established milestone no longer aligns with our strategic priorities and goals or to set milestones as a result of changes to the business.

As a result of the COVID-19 outbreak, we have elected to defer the payment of the 2019 Annual Incentive Awards and to pay these amounts at a yet to be determined future date. At the time of payment, our NEOs may elect to receive payment of their 2019 Annual Incentive Award in cash or as an award of shares of unrestricted common stock pursuant to our 2017 Omnibus Incentive Plan. The NEOs may elect to receive 25%, 50% or 100% of their award in shares. The number of shares issuable upon an election to be paid in stock is calculated by dividing (a) the after-tax cash award by (b) the result of discounting the closing price of our common stock on the grant date by 15%, in each case in whole or in part. All officers that elect to receive shares of common stock in lieu of cash will agree not to sell their shares until six months following the issuance of the shares.

### *Long-Term Incentive Compensation; 2017 Omnibus Incentive Plan*

Our 2017 Omnibus Incentive Plan, or the 2017 Plan, provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), to our employees and any parent and subsidiary employees, and for the grant of non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, cash-based awards (including annual cash incentives and long-term cash incentives), and any combination thereof to our employees, directors, and consultants and to employees, directors, and consultants of certain affiliated entities. We typically grant stock options at the start of employment to each NEO. Our Compensation Committee evaluates each year whether our NEOs will receive an award of equity-based compensation as one component of their overall compensation for such year. Our Compensation Committee establishes and reviews a target grant amount for each NEO based on comparable market data and to determine the amount granted to each NEO based on his individual performance and our overall performance as a Company. See “Compensation Decision Process” below.

We award our equity grants on the date our Board approves the grant recommended by our Compensation Committee. We set the option exercise price based on the closing price of our common stock on the date of grant. For grants in connection with initial employment, vesting begins on the initial date of employment. Time vested stock option grants to our NEOs and most employees typically vest 25% on each anniversary of the vesting commencement date over either a three- or four-year period. For further information on our equity compensation plans, see “Proposal Four—Approval of Amended and Restated 2017 Omnibus Incentive Plan—Equity Compensation Plan Information” below.

### *401(k) Plan*

Our employees, including our NEOs, are eligible to participate in our 401(k) plan. Our 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(a) of the Code. Our 401(k) plan provides that each participant

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may contribute a portion of his or her pre-tax compensation, up to a statutory limit, which for most employees was \$19,000 in 2019. Participants who are 50 years or older can also make “catch up” contributions, which in 2019 was up to an additional \$6,000 (or a combined maximum of \$25,000). Employee contributions are held and invested by the plan’s trustee. Our 401(k) plan also permits us to make discretionary contributions and matching contributions. We make matching contributions to our employees of an amount equal to 50% of their elective deferral which does not exceed 8% of their compensation.

### *Mandatory Provident Fund Arrangement*

The Mandatory Provident Fund Plan (the “MPF Plan”) is a mandatory provident fund arrangement required under the laws of Hong Kong. Subject to certain required minimum and maximum levels under law, 5% percent of a participant’s relevant income must be contributed to the MPF Plan and total contributions are capped at \$1,500 HKD a month. We match amounts contributed to the MPF Plan, which we contribute in HKD to the MPF Plan trustee, AIA International Limited by Autopay. Mr. Sze is the only NEO who participates in the MPF Plan.

### *Non-Qualified Deferred Compensation*

On January 1, 2019, we froze our Non-Qualified Deferred Compensation Plan. Dr. Lau is the only NEO who is a participant in the plan. While no contributions can be made, Dr. Lau’s current contributions remain in the plan and, pursuant to his employment agreement, earn interest at a rate of four percent per annum until paid.

### *Pension Benefits*

We do not have any qualified or non-qualified defined benefit pension plans.

### *Perquisites*

We do not offer perquisites to our NEOs.

## **Compensation Decision Process**

### ***Role of Our Compensation Committee and Executive Officers***

Our Compensation Committee is responsible for overseeing the total compensation of our executive officers including each of our NEOs. In this capacity, our Compensation Committee designs, implements, reviews and recommends to our Board the approval of all compensation for our Chief Executive Officer and our other NEOs.

Our Compensation Committee annually reviews and determines the compensation for our executive officers, including each of our NEOs. In setting base salaries, annual incentive awards and granting long-term equity incentive awards, as further described below, our Compensation Committee reviews compensation for similarly situated executives, the historical compensation levels of our executives, performance factors, and the overall goals and objectives of our philosophy and compensation program. We do not target a specific competitive position or a specific mix of compensation among base salary, incentive award or long-term equity incentive awards. Notwithstanding, our program is structured so that variable, or “at risk,” compensation makes up a significant percentage of total compensation for our NEOs. This ensures that the executives with the highest degree of responsibility to stockholders are held most accountable for results and changes in stockholder value.

The performance factors described below are considered by our Compensation Committee in connection with our annual performance reviews and are a critical component in the determination of annual incentive awards and long-term equity incentive awards for our NEOs.

To aid our Compensation Committee in making its determination with respect to our other executive officers, our Chief Executive Officer provides recommendations annually to our Compensation Committee regarding the compensation of all other executive officers (other than himself) based on the overall corporate achievements during the period being assessed and his knowledge of the individual contributions to our success by each of the NEOs.

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Based on those discussions and its discretion, our Compensation Committee then approves the compensation for our executive officers, including our NEOs. Our Board, without members of management present, discusses our Compensation Committee's report on these matters and approves the compensation of our Chief Executive Officer.

### ***Factors Considered***

Our Compensation Committee considers a wide range of factors, including the following as and if they relate to the roles and responsibilities of a particular NEO, among others, when reviewing and approving, or recommending to our Board as applicable, the amount of each compensation element and the target total compensation opportunity for our executive officers (including our NEOs), some of which are specific to the skills and positions of our NEOs while others reflect our status as a clinical stage biopharmaceutical company:

- progress of preclinical development and clinical trials for our product candidates and achievement of regulatory milestones;
- identification and development of new product candidates;
- establishment and maintenance of key strategic relationships, partnerships and new business initiatives;
- advancement of organizational capabilities to foster and manage our growth, including our build-out of our capabilities related to the commercialization of our product candidates, if approved;
- our performance against the annual individual goals established by our Compensation Committee (in consultation with management, as applicable);
- each NEO's skills, experience and qualifications relative to other similarly-situated executives;
- the scope of each NEO's role and responsibilities compared to other similarly-situated executives;
- performance for each NEO, based on an assessment of individual contributions to our overall performance;
- Company-wide retention goals; and
- the recommendations provided by our Chief Executive Officer with respect to the compensation of our other NEOs.

Our Compensation Committee and our Board, as applicable, do not assign relative weights or rankings to factors, and do not consider any single factor as determinative in the compensation of our executive officers. Rather, our Compensation Committee and our Board, as applicable, rely on their own knowledge and judgment in assessing performance and making compensation decisions.

### ***Defining and Comparing Compensation to Market***

While we have not established a peer group in determining executive compensation, our Compensation Committee believes that it is important when making its compensation decisions to be informed as to the current practices of comparable public companies with which we compete for talent. To this end, our Compensation Committee reviews market data, using information that is generally available, including financial data and information with respect to the compensation programs and practices of clinical stage public companies in our industry from proxy statements or through widely available compensation surveys, for each NEO's position, including information relating to the mix and levels of compensation for similarly situated executive officers. To date, our Compensation Committee has not engaged a compensation consultant but has the authority to do so pursuant to its charter, which authorizes it to retain compensation consultants to assist it in its work as well as to determine the amount of remuneration provided to such consultants.

### ***Stockholder Say-on-Pay***

Our stockholders will have an opportunity to cast an advisory vote on the compensation for our NEOs at the Annual Meeting. Our Board has recommended, subject to their further consideration of the preference of our stockholders (as reflected in the non-binding advisory vote on say-on-pay and the frequency of future say-on-pay votes conducted at the Annual Meeting), that stockholders be provided an annual advisory vote on the compensation of our NEOs.

### **Other Executive Compensation Matters**

#### ***Equity Compensation Policies***

Our Compensation Committee approves equity awards for our NEOs and other executive officers and authorizes the CEO to approve equity awards for all other employees based on approved pools for annual and new hire grants. NEO awards are approved either at a regularly-scheduled meeting of our Compensation Committee or by unanimous written consent.

The exercise price of stock options is not less than the closing price of our common stock on the Nasdaq Global Select Market on the grant date of the stock option. We do not time grants of equity awards to coordinate with the release of material non-public information, and we have not timed the release of material non-public information for purposes of affecting the value of the compensation awarded to our NEOs or any other employee.

#### ***Recoupment and Clawbacks***

Our Audit Committee has the authority to enact recoupment policies and procedures for cash incentives and equity awards in the event of certain financial restatements, should the committee feel such policies and procedures are necessary and advisable.

#### ***Anti-Hedging Policy***

We have a policy that prohibits our executive officers, directors and other members of management from engaging in short sales, transactions in put or call options, hedging transactions or other inherently speculative transactions with respect to our stock.

#### ***Stock Ownership Guidelines***

On November 21, 2019, we adopted stock ownership guidelines that require all current executive officers and non-employee directors to hold a minimum number of shares of our common stock. The guidelines are intended to further align the interests of these executives and our directors with those of our stockholders. The minimum ownership thresholds are six times base salary for our CEO, three times base salary for all other executive officers, and three times annual cash retainer for non-employee directors.

When determining whether the executive officers or non-employee directors have met their ownership requirements under the policy, only shares held outright by the person (including shares held by immediate family members in the same household), shares held through partnerships, trusts or similar entities (but only to the extent the person has an economic interest in the underlying shares), shares subject to vested restricted stock units, and shares underlying up to 50% of vested in-the-money stock options are counted as owned for such calculation. Each executive or non-employee director has five years in order to meet their minimum ownership level, which will be adjusted annually until met. Currently, each of our NEOs and each of our non-employee directors either meets their minimum ownership level, or is within the five-year period in order to meet their minimum ownership level, under our stock ownership guidelines. The stock ownership guidelines empower our Compensation Committee to take such action as it deems appropriate for failure to meet the guidelines, and to grant waivers in limited circumstances.

## Tax Implications of Executive Compensation

What follows is a general discussion of the tax and accounting implications of our executive compensation programs.

### Section 162(m) of the Code

Section 162(m) of the Code limits deductibility of certain compensation to \$1,000,000 per year for federal income tax purposes for certain executive officers.

However, our Compensation Committee believes that tax deductibility concerns are only one of a number of important considerations for designing and implementing our compensation programs. Our Compensation Committee must also weigh the competing concerns of providing competitive pay and paying for performance as well as our Compensation Committee's interest in having flexibility in structuring our compensation programs as our business evolves, even though such practices may result in non-deductible compensation expenses.

As a result, our Compensation Committee may from time to time approve compensation for our executive officers that may not be fully deductible pursuant to Section 162(m) of the Code in order to achieve the desired goals of our compensation programs.

### Accounting Considerations

Generally under U.S. GAAP, compensation is expensed as earned. We account for compensation expense associated with equity awards in accordance with FASB ASC Topic 718, Compensation—Stock Compensation. For further details regarding the accounting for the compensation expense associated with equity awards, see Note 13—Stock Based Compensation to our audited financial statements contained in our 2019 Annual Report on Form 10-K.

## 2019 Executive Compensation Decisions

### Total Target Cash Compensation—Base Salaries and Target Bonus Percentages

When determining 2019 base salary and target bonus percentage adjustments, our Compensation Committee considered Company and individual performance factors among other factors described herein. Our Compensation Committee (and our Board, with respect to our CEO) decided that for 2019 base salaries for each NEO would be increased by 5% over their 2018 base salaries and each NEO's target bonus percentage would remain the same as in 2018. The table below shows 2019 base salary, target incentive awards as a percentage of base salary and in real terms, along with actual incentive award amounts and percentage of the target award for each of our NEOs. As a result of the COVID-19 outbreak, we have elected to defer the payment of the below listed bonus amounts and to give our NEOs the option to receive these amounts in stock at a future date.

<u>Name</u>	<u>2019 Base Salary(1)</u>	<u>Target Award % of Base Salary</u>	<u>2019 Target Award (US\$)</u>	<u>2019 Actual Award (US\$)(2)</u>	<u>% of Target Paid</u>
Johnson Y.N. Lau	\$525,000	80%	\$420,000	\$336,000	80%
Rudolf Kwan	\$336,000	60%	\$201,600	\$171,360	85%
Jeffrey Yordon	\$420,000	80%	\$336,000	\$168,000	50%
Randoll Sze	\$288,750	40%	\$115,500	\$ 86,625	75%
Simon Pedder	\$315,000	50%	\$157,500	\$ 39,375	25%

1. Effective as of February 28, 2019, the base salary for each of our NEOs was increased by 5% over their 2018 base salary.
2. Typically, the annual incentive awards are paid in the first quarter of the year following the year these are earned in the form of cash bonuses. However, for the 2019 annual incentive awards, our Board has

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determined to defer payment to a yet to be determined future date. Executive officers will have the option to elect that we pay such 2019 annual incentive award in stock. Any executive officer who elects to receive stock will be able to elect to receive 25%, 50%, or 100% of the award in stock pursuant to our 2017 Omnibus Incentive Plan, with a purchase price equal to 85% of the closing price of our common stock on the grant date.

### ***Long-Term Equity Incentive Awards***

In making annual long-term equity incentive awards to NEOs in early 2019, our Compensation Committee considered each NEO's total stock options outstanding as of December 31, 2018, their performance during 2018, the potential amount that could be realized at different hypothetical stock prices upon exercise of those awards and each NEO's percentage of ownership of the Company. Our Compensation Committee made final determinations based on its judgment in accordance with our pay-for-performance philosophy and the need to retain and motivate these highly experienced and essential members of our management team.

Our Compensation Committee (and our Board, with respect to our CEO) determined to grant each NEO an award of time-based stock options in 2019, subject to each individual's continuous service, with one-fourth of the shares subject to each grant vesting beginning on February 28, 2020 and the remainder vesting in three equal annual installments thereafter. See "Grants of Plan-Based Awards" for a table that sets forth the grants made to our NEOs pursuant to our 2019 long-term incentive compensation program.

### ***Axis Equity Awards***

In June 2018, we formed Axis Therapeutics Limited ("Axis"), a joint venture between us and Xiangxue Life Sciences Limited ("XLifeSc") to develop and commercialize therapeutic products for oncology indications worldwide except in China. Axis is developing the TCR-T immunotherapy, one of the technologies in our Oncology Innovation Platform and is owned 45% by XLifeSc and 55% by us, and we are entitled to appoint three directors to Axis's board and XLifeSc appoints two directors. At the time of the formation of Axis, a pool for equity awards to Axis employees, consultants and directors was created, and on November 15, 2019, Axis made equity awards to Johnson Lau and Randoll Sze, both of whom serve on Axis's board and whose contributions and efforts are important to the success of Axis. The purpose for the awards is to motivate these NEOs to increase the value of Axis and thereby maximize the value of our 55% ownership interest in the Axis joint venture. Our Compensation Committee reviewed these Axis awards as part of its review of these NEOs' total compensation and considered and will consider the Axis awards in its compensation decisions for these NEOs for 2019 and future years.

### **2020 Executive Compensation Decisions**

After monitoring developments related to the spread of COVID-19, we have undertaken a number of measures in order to preserve our cash on hand during a volatile period in the U.S. and global capital markets. In addition to the deferred payment of NEO 2019 bonuses described above, as recommended by the Compensation Committee and as approved by the Board, we entered into an arrangement with Dr. Lau on March 24, 2020 whereby Dr. Lau has agreed to receive options to purchase shares of our common stock in lieu of his remaining base salary for fiscal 2020. Under the terms of the arrangement, Dr. Lau reduced his remaining base for fiscal 2020 to \$40,000 in cash and, in exchange for his remaining base salary, agreed to receive a stock option to purchase 55,045 shares of common stock at an exercise price of \$7.32 per share pursuant to our 2017 Omnibus Incentive Plan. The stock option vests in one lump sum on December 31, 2020. The grant date fair value of the stock option was equivalent to the value of Dr. Lau's foregone base salary.

### **Compensation Risk Analysis**

The Compensation Committee has reviewed our compensation policies as generally applicable to our employees and believes that our policies do not encourage excessive and unnecessary risk-taking, and that the level of risk

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that they do encourage is not reasonably likely to have a material adverse effect on the Company. In addition, the Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage our executive officers, including our NEOs, to assume excessive risks.

The Compensation Committee periodically reviews the elements of compensation to determine whether any portion of executive and non-executive compensation encourages excessive risk taking. Among the factors that the Compensation Committee considered are:

- significant weighting towards long-term incentive compensation to discourage short-term risk taking;
- the Company's policy of providing both annual and long-term performance awards and a mix of both stock options and equity grants;
- setting performance goals to provide meaningful target levels that enhance stockholder value and that are quantifiable using objective criteria, include multiple performance measures (including company-wide measures) and graduated payout structures;
- the Compensation Committee's policy of capping short-term incentive awards;
- the Company's stock ownership guidelines; and
- the Audit Committee's authority to effect recoupment policies and procedures for cash incentives and equity awards in the event of certain financial restatements.

### **Compensation Committee Report**

The Compensation Committee of our Board has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's proxy statement for the Annual Meeting, and also be incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Compensation Committee

Stephanie Davis (Chair)

Benson Kwan Hung Tsang

John M. Vierling

## COMPENSATION TABLES

### Summary Compensation Table

The following table shows information regarding the compensation for our NEOs for the fiscal years ended December 31, 2019, and December 31, 2018 and December 31, 2017, if applicable.

Name and Principal Position	Year	Salary (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in pension value and nonqualified deferred compensation earnings (\$)(4)(5)	All Other Compensation (\$)(6)	Total (\$)
Johnson Y.N. Lau	2019	519,231	1,566,875(7)	2,007,663	336,000	28,546	25,521	4,483,836
Chief Executive Officer and Chairman of the Board	2018	500,000	—	2,490,000	268,564	13,682	23,457	3,295,703
	2017	500,000	4,400,000	6	150,000	386	22,242	5,072,634
Rudolf Kwan	2019	332,308	—	963,678	171,300	—	6,563	1,473,849
Chief Medical Officer	2018	314,615	—	1,195,200	132,929	—	8,763	1,651,507
	2017	288,077	—	933,581	150,000	—	3,762	1,375,420
Jeffrey Yordon	2019	415,385	—	803,065	168,000	—	1,379	1,387,829
Chief Operating Officer and President, Athenex Pharmaceutical Division	2018	400,000	—	996,000	212,775	—	3,240	1,612,015
	2017	400,000	—	1,533,741	272,000	—	12,847	2,218,588
Randall Sze(8)	2019	286,089	—	567,775(9)	86,125	—	3,000	942,989
Chief Financial Officer								
Simon Pedder	2019	316,154	—	481,839	39,375	—	23,178	860,546
Chief Business and Strategy Officer, Proprietary Products								

1. The amounts in this column for 2019 reflect base salaries as modified by an annualized increase in salaries approved by our Compensation Committee and effective as of February 28, 2019.
2. Represents aggregate grant date fair value of the awards under FASB ASC Topic 718, Compensation—Stock Compensation. Amounts are determined using the Black-Scholes Method and the assumptions set forth in Note 13, Stock-Based Compensation to our audited financial statements contained in our 2019 Annual Report on Form 10-K.
3. Amounts in this column for 2019 reflect the deferred and yet to be paid 2019 Annual Bonus. When these amounts are paid, the NEOs may elect to be paid in shares, in part or in full.
4. We do not have any qualified or non-qualified defined benefit pension plans. Dr. Lau's employment agreement provides for interest on his deferred compensation. The amounts in this column reflect the portion of the interest that is considered above-market or preferential earnings.
5. In our proxy statement for our 2019 Annual Meeting, we presented amounts in this column in the year that they were paid, as opposed to the year that they were earned. We have corrected the disclosure for prior periods above.

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6. The table below shows the components of the All Other Compensation column for 2019:

Name	401(k) Matching Contributions (\$)	Company- Paid Health Insurance (\$)	Medical Opt-Out Payments (\$)	Group- Term Life Insurance (\$)	HSA Contribution (\$)	Mandatory Provident Fund Contributions (\$)	Total (\$)
Johnson Y.N. Lau	10,117	13,841	—	563	1,000	—	25,521
Rudolf Kwan	5,000	—	1,000	563	—	—	6,563
Jeffrey Yordon	—	—	1,000	379	—	—	1,379
Randoll Sze	—	692	—	—	—	2,308	3,000
Simon Pedder	8,759	13,841	—	578	—	—	23,178

7. Includes an award of 2,875,000 RSUs from our 55% subsidiary, Axis Therapeutics Limited. These RSUs have a grant date fair value of \$0.545 per share, for an aggregate grant date fair value of \$1,566,875 as of the date of grant and vest over a period of 8 years, provided Dr. Lau is employed by Axis on each vesting date, in accordance with the below vesting schedule:

<u>Vesting Date</u>	<u># Shares Vesting</u>
1st Anniversary of Date of Grant	159,658
2nd Anniversary of Date of Grant	319,316
3rd Anniversary of Date of Grant	478,974
4th Anniversary of Date of Grant	478,974
5th Anniversary of Date of Grant	478,974
6th Anniversary of Date of Grant	479,359
7th Anniversary of Date of Grant	319,701
8th Anniversary of Date of Grant	160,044

8. Mr. Sze's compensation, including salary and incentive compensation are determined in USD. Cash amounts to be disbursed to Mr. Sze are converted to Hong Kong Dollars (HKD) at the then prevailing rate. Mr. Sze also receives benefits and participates in a mandatory provident fund arrangement established pursuant to Hong Kong law. These amounts are denominated and paid in HKD and a fixed exchange rate of \$1 USD to \$7.80 HKD is used to determine the USD equivalent.
9. Includes an award of 230,000 stock options from our 55% subsidiary, Axis Therapeutics Limited with an exercise price of \$0.545 per share and a grant date fair value of approximately \$0.37 per share, as determined using the Black-Scholes Method, for an aggregate grant date fair value of \$85,936. These vest in equal installments over a four-year period beginning on the first anniversary of the date of grant.

## Grants of Plan-Based Awards

Name	Type of Award(1)	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(3)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(2)			
Johnson Y.N. Lau	AIA	2/28/2019	420,000							
	LTI									
	Axis							2,875,000	250,000	\$13.17
Rudolf Kwan	AIA	2/28/2019	201,600							
	LTI							120,000	\$13.17	\$ 963,678
Jeffrey Yordon	AIA	2/28/2019	336,000							
	LTI							100,000	\$13.17	\$ 803,065
Randoll Sze	AIA	2/28/2019	115,500							
	LTI							60,000	\$13.17	\$ 481,839
	Axis							230,000	\$0.545	\$ 85,936
Simon Pedder	AIA	2/28/2019	157,500							
	LTI							60,000	\$13.17	\$ 481,839

1. AIA are awards pursuant to our Annual Incentive Award plan; LTI are option awards pursuant to our Long-term Incentive plan; and Axis are awards made by our 55% subsidiary, Axis Therapeutics Limited.
2. Represents aggregate grant date fair value of the awards under FASB ASC Topic 718, Compensation—Stock Compensation. Amounts are determined using the Black-Scholes Method and the assumptions set forth in Note 13, Stock-Based Compensation to our audited financial statements contained in our 2019 Annual Report on Form 10-K.
3. Awards under our Annual Incentive Award plan do not have a threshold or maximum payout beyond the target payout established by the plan.

## Employment Agreements

### Johnson Y.N. Lau

We entered into an amended and restated employment agreement with Dr. Lau, effective June 1, 2015, amended June 26, 2015. His employment agreement is automatically renewed for additional one-year terms beginning on March 1, 2016 and each anniversary thereof, unless on or before such date Dr. Lau or we deliver a written notice at least 90 days in advance of such date to the other indicating non-renewal. Dr. Lau's employment agreement was automatically renewed on March 1, 2019. The agreement contains customary non-solicitation, non-competition and confidentiality provisions.

Under the agreement, Dr. Lau is entitled to receive an annual base salary of \$200,000 and annual deferred compensation of \$300,000 that earns interest at a rate of four percent per annum until paid. As of January 1, 2019, our nonqualified deferred compensation plan is frozen, and no additional contributions can be made to the plan. As a result, Dr. Lau received the full amount of his 2019 base salary without any deferral. We meet annually with Dr. Lau to review and revise his compensation for the following calendar year. If we cannot agree with Dr. Lau on his compensation for the next calendar year on or before December 31 of the current calendar year, and Dr. Lau resigns as a result thereof, such resignation is deemed a termination without cause. Our Compensation Committee determined to increase all executive base salaries for 2019 by 5% over 2018 base salaries, and as a result Dr. Lau's 2019 base salary increased from \$500,000 to \$525,000. Dr. Lau is also eligible to be considered for an annual incentive award and other Company benefits.

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Upon Dr. Lau's termination of employment without good reason or as a result of his death or permanent disability, he is entitled to receive all previously earned and accrued but unpaid base salary, bonuses and benefits up to the date of such termination. Upon Dr. Lau's termination without cause, our election not to renew his employment agreement (except in the case of his termination for cause, or death or permanent disability), or his resignation for good reason, he is entitled to receive unpaid base salary, bonuses and benefits up to the date of such termination, base salary in effect as of the date of termination for a period of 36 months following the date of such termination and a cash payment equal to the value of our contribution to any benefits subscribed to by Dr. Lau at the time of termination for a 36-month period. Payment of base salary and benefits past the date of termination is conditioned upon Dr. Lau electing to provide consulting services to us during such 36-month period, except in the case of termination upon a change of control for which such payments are not conditioned on such services being provided. During the consulting period, Dr. Lau will be paid reasonable compensation for services rendered to us and our affiliates, receive continuation of health insurance or payment of premiums and would continue to be subject to the other applicable restrictive covenants in his employment agreement.

### ***Rudolf Kwan***

We entered into an employment agreement with Dr. Kwan, effective February 21, 2017. The initial term of the agreement is three years and will automatically renew for additional one-year terms until terminated pursuant to its terms. The agreement also contains customary non-solicitation and confidentiality provisions.

Under the agreement, Dr. Kwan is entitled to receive an annual base salary of \$300,000, as may be adjusted upward from time to time. Our Compensation Committee determined to increase all executive base salaries for 2019 by 5% over 2018 base salaries. As a result, Dr. Kwan's base salary increased from \$300,000 to \$315,000. In connection with the entry into Dr. Kwan's employment agreement, Dr. Kwan was granted 140,000 stock options with a term of 10 years that vest annually in three equal tranches after each year of service and with an exercise price equal to our IPO price. Dr. Kwan is also eligible to be considered for an annual incentive award and other Company benefits.

Upon termination of Dr. Kwan's employment as a result of his death or disability, he is entitled to receive all compensation or benefits required under applicable law, his annual bonus, if earned, for the calendar year in which such termination occurred (prorated for any partial year), and, if such termination is as a result of disability, an amount sufficient to provide Dr. Kwan with one year of healthcare coverage comparable to what he would have received while employed. Upon termination of Dr. Kwan's employment with or without good reason or without cause, he is entitled to receive all compensation or benefits required under applicable law and, if applicable, the amounts paid during the non-compete period (as discussed below). Any post-termination payment to Dr. Kwan or his estate is contingent upon execution of a release of claims.

Dr. Kwan's employment agreement provides for a one-year non-competition period within a limited geographic area. In the event the employment relationship is terminated after the initial three-year term, or is earlier terminated (except for cause), then the non-competition period is deemed waived by us, unless we elect to provide Dr. Kwan with notice within 10 business days of the effective date of such termination of our election to enforce the one-year non-competition period and agree to pay Dr. Kwan through the end of the non-competition period his full amount of base salary and an amount equal to our contribution toward healthcare insurance coverage which Dr. Kwan and his family, if applicable, were receiving as of the date of termination.

### ***Jeffrey Yordon***

We entered into an employment agreement with Mr. Yordon, effective February 21, 2017. The initial term of the agreement is three years and will automatically renew for additional one-year terms until terminated pursuant to its terms. The agreement also contains customary non-solicitation and confidentiality provisions.

Under the agreement, Mr. Yordon is entitled to receive an annual base salary of \$400,000, as may be adjusted upward from time to time. Our Compensation Committee determined to increase all executive base salaries for

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2019 by 5% over 2018 base salaries, and as a result Mr. Yordon's 2019 base salary increased from \$400,000 to \$420,000. In connection with the entry into Mr. Yordon's employment agreement, Mr. Yordon was granted 230,000 stock options with a term of 10 years that vest annually in three equal tranches after each year of service and with an exercise price equal to our IPO price. Mr. Yordon is also eligible to be considered for a year-end bonus and other Company benefits.

Upon termination of Mr. Yordon's employment as a result of his death or disability, he is entitled to receive all compensation or benefits required under applicable law, his annual bonus, if earned, for the calendar year in which such termination occurred (prorated for any partial year), and, if such termination is as a result of disability, an amount sufficient to provide Mr. Yordon with one year of healthcare coverage comparable to what he would have received while employed. Upon termination of Mr. Yordon's employment with or without good reason or without cause, he is entitled to receive all compensation or benefits required under applicable law and, if applicable, the amounts paid during the non-compete period (as discussed below). Any post-termination payment to Mr. Yordon or his estate is contingent upon execution of a release of claims.

Mr. Yordon's employment agreement provides for a one-year non-competition period within a limited geographic area. In the event the employment relationship is terminated after the initial three-year term, or is earlier terminated (except for cause), then the non-competition period is deemed waived by us, unless we elect to provide Mr. Yordon with notice within 10 business days of the effective date of such termination of our election to enforce the one-year non-competition period and agree to pay Mr. Yordon through the end of the non-competition period his full amount of base salary and an amount equal to our contribution toward healthcare insurance coverage which Mr. Yordon and his family, if applicable, were receiving as of the date of termination.

### ***Randoll Sze***

We entered into an employment agreement with Mr. Sze, effective August 20, 2018. The initial term of the agreement is one year and will automatically renew for additional one-year terms until terminated pursuant to its terms. The agreement also contains customary non-solicitation and confidentiality provisions.

Under the agreement, Mr. Sze is entitled to receive an annual base salary of \$275,000, as may be adjusted upward from time to time. Mr. Sze is also eligible to be considered for a discretionary year-end bonus of up to 40 percent of his base salary based upon milestones determined annually by our Compensation Committee. Our Compensation Committee determined to increase all executive base salaries for 2019 by 5% over 2018 base salaries, and as a result Mr. Sze's 2019 base salary increased from \$275,000 to \$288,750. In connection with the entry into Mr. Sze's employment agreement, Mr. Sze was granted 90,000 stock options with a term of 10 years that vest annually in four equal tranches after each year of service and with an exercise price equal to the market price of our common stock on the date of the grant.

Upon termination of Mr. Sze's employment as a result of his death or disability, he is entitled to receive all compensation or benefits required under applicable law, and, if such termination is as a result of disability, an amount sufficient to provide Mr. Sze with one year of healthcare coverage comparable to what he would have received while employed. Upon termination of Mr. Sze's employment without good reason, he is entitled to receive all compensation or benefits required under applicable law and, if applicable, the amounts paid during the non-compete period (as discussed below). Upon termination of Mr. Sze's employment with good reason or without cause, he is entitled to receive all compensation or benefits required under applicable law, severance in the form of his base salary for a period equal to the remaining term of his employment agreement (such period not to exceed 6 months or be less than 3 months) and, if applicable, the amounts paid during the non-compete period (as discussed below). Any post-termination payment to Mr. Sze or his estate is contingent upon execution of a release of claims.

Mr. Sze's employment agreement provides for a one-year non-competition period within a limited geographic area. In the event the employment relationship is terminated after the initial one-year term, or is earlier terminated (except for cause), then the non-competition period is deemed waived by us, unless we elect to

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provide Mr. Sze with notice within 10 business days of the effective date of such termination of our election to enforce the one-year non-competition period and agree to pay Mr. Sze through the end of the non-competition period his full amount of base salary and an amount equal to our contribution toward healthcare insurance coverage which Mr. Sze and his family, if applicable, were receiving as of the date of termination.

### ***Simon Pedder***

We entered into an employment agreement with Dr. Pedder, effective February 20, 2017. The initial term of the agreement is three years and will automatically renew for additional one-year terms until terminated pursuant to its terms. The agreement also contains customary non-solicitation and confidentiality provisions.

Under the agreement, Dr. Pedder is entitled to receive an annual base salary of \$300,000, as may be adjusted upward from time to time. Our Compensation Committee determined to increase all executive base salaries for 2019 by 5% over 2018 base salaries, and as a result Dr. Pedder's 2019 base salary increased from \$300,000 to \$315,000. In connection with the entry into Dr. Pedder's employment agreement, Dr. Pedder was granted 130,000 stock options with a term of 10 years that vest annually in three equal tranches after each year of service and with an exercise price equal to our IPO price. Dr. Pedder is also eligible to be considered for an annual incentive award and other Company benefits.

Upon termination of Dr. Pedder's employment as a result of his death or disability, he is entitled to receive all compensation or benefits required under applicable law, his annual bonus, if earned, for the calendar year in which such termination occurred (prorated for any partial year), and, if such termination is as a result of disability, an amount sufficient to provide Dr. Pedder with one year of healthcare coverage comparable to what he would have received while employed. Upon termination of Dr. Pedder's employment with or without good reason or without cause, he is entitled to receive all compensation or benefits required under applicable law and, if applicable, the amounts paid during the non-compete period (as discussed below). Any post-termination payment to Dr. Pedder or his estate is contingent upon execution of a release of claims.

Dr. Pedder's employment agreement provides for a one-year non-competition period within a limited geographic area. In the event the employment relationship is terminated after the initial three-year term, or is earlier terminated (except for cause), then the non-competition period is deemed waived by us, unless we elect to provide Dr. Pedder with notice within 10 business days of the effective date of such termination of our election to enforce the one-year non-competition period and agree to pay Dr. Pedder through the end of the non-competition period his full amount of base salary and an amount equal to our contribution toward healthcare insurance coverage which Dr. Pedder and his family, if applicable, were receiving as of the date of termination.

**Outstanding Equity Awards as of December 31, 2019**

The following table lists the outstanding equity awards held by our NEOs as of December 31, 2019:

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)(1)	Option Expiration Date	Number of Shares or Units That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Johnson Y.N. Lau	5/9/2011	180,000	—	4.55	5/9/2021	2,875,000(4)	1,566,875
	3/26/2012	150,000	—	4.55	3/26/2022		
	1/2/2013	1,200,000	—	4.55	1/2/2023		
	5/22/2015	1,400,000	—	7.5	5/22/2025		
	6/13/2017	1	—	11.00	6/13/2027		
	3/27/2018	62,500	187,500(2)	17.30	3/27/2028		
	2/28/2019	—	250,000(3)	13.17	2/28/2029		
	11/15/2019						
Rudolf Kwan	5/9/2011	48,000	—	4.55	5/9/2021		
	1/2/2013	96,000	—	4.55	1/2/2023		
	5/13/2013	48,000	—	4.55	5/13/2023		
	2/12/2014	120,000	—	4.55	2/12/2024		
	6/12/2014	48,000	—	4.55	6/12/2024		
	12/16/2014	200,000	—	5.50	12/16/2024		
	5/22/2015	120,000	—	7.50	5/22/2025		
	6/13/2017	93,333	46,667(5)	11.00	6/13/2027		
	3/27/2018	30,000	90,000(2)	17.30	3/27/2028		
2/28/2019	—	120,000(3)	13.7	2/28/2029			
Jeffrey Yordon	6/19/2016	150,000	—	9.00	6/19/2026		
	6/13/2017	153,333	76,667(5)	11.00	6/13/2027		
	3/27/2018	25,000	75,000(2)	17.30	3/27/2028		
	2/28/2019	—	100,000(3)	13.17	2/28/2029		
Randoll Sze	10/3/2017	14,000	14,000(6)	17.77	10/3/2027		
	3/27/2018	2,500	7,500(2)	17.30	3/27/2028		
	8/20/2018	22,500	67,500(7)	17.09	8/20/2028		
	2/28/2019	—	60,000(3)	13.17	2/28/2029		
	11/15/2019	—	230,000(8)	0.545	11/15/2029		
Simon Pedder	5/13/2013	20,000	—	4.55	5/13/2023		
	2/28/2016	75,000	25,000(9)	9.00	2/28/2026		
	6/13/2017	65,000	65,000(5)	11.00	6/13/2027		
	3/27/2018	15,000	45,000(2)	17.30	3/27/2028		
	2/28/2019	—	60,000(3)	13.17	2/28/2029		

1. For option grants prior to our initial public offering on June 14, 2017, we determined the option exercise price based on our per-share valuation on the date of grant. After our initial public offering on June 14, 2017, we determine the option exercise price based on the closing price of our common stock on the date of grant.
2. This option vests in four equal annual installments beginning on March 27, 2019.
3. This option vests in four equal annual installments beginning on February 28, 2020.
4. These RSUs cover shares of our 55% subsidiary, Axis Therapeutics Limited, and vest in three tranches each with six equal annual installments, tranche 1 beginning on November 15, 2020, tranche 2 beginning on November 15, 2021 and tranche 3 beginning on November 15, 2022.
5. This option vests in three equal annual installments beginning on June 13, 2018.
6. This option vests in four equal annual installments beginning on October 3, 2018.

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- This option vests in four equal annual installments beginning on August 20, 2019.
- This option covers shares of our 55% subsidiary, Axis Therapeutics Limited, and vests in four equal annual installments beginning on November 15, 2020.
- This option vests in four equal annual installments beginning on February 28, 2017.

### Option Exercises and Stock Vested

The following table sets forth information regarding each exercise of stock options and all vesting of stock during the year ended December 31, 2019:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Johnson Y.N. Lau	50,000	345,400	—	—
Rudolf Kwan	24,000	213,960	—	—
Jeffrey Yordon	—	—	—	—
Randoll Sze	—	—	—	—
Simon Pedder	—	—	—	—

- Amounts reflect the difference between the exercise price of the stock option and the market price of our common stock at the time of exercise.

### Non-Qualified Deferred Compensation

We do not have any qualified or non-qualified defined benefit pension plans. Dr. Lau is the only NEO who has participated in our nonqualified deferred compensation plan.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$)
Johnson Lau	—	—	77,150	—	2,260,375.04

**Potential Payments Upon Termination or Change-in-Control**

The following table reflects hypothetical estimated additional payments and benefits that would have been earned or accrued, or vested, delivered or paid out earlier than normal, had any NEO been terminated or had a change-in-control (as further described below) occurred on December 31, 2019. The table and accompanying narrative does not include nonqualified deferred compensation which is described in the table entitled “Non-qualified Deferred Compensation.”

Name	Severance Ineligible Termination			Termination without Cause or for Good Reason (No Change in Control)			Change in Control (No Termination)	Change in Control Severance Eligible Termination			
	Death	Disability	Voluntary Resignation	Severance	Benefits	Accelerated Equity Awards	Accelerated Equity Awards	Severance	Bonus	Benefits	Accelerated Equity Awards
Johnson Y.N. Lau	\$0	\$0	\$0	\$1,575,000(1)(2)	\$76,563(1)(2)	\$1,566,875(4)	\$1,566,875(4)	\$1,575,000(2)(3)	\$1,260,000(2)(3)	\$76,563(2)(3)	\$1,566,875(4)(8)
Rudolf Kwan	\$0	\$1,563(5)	\$336,000(6)	\$336,000(6)	\$1,563(6)	\$0	\$0	\$0	\$0	\$0	\$0
Jeffrey Yordon	\$0	\$1,379(5)	\$420,000(6)	\$420,000(6)	\$1,379(6)	\$0	\$0	\$0	\$0	\$0	\$0
Randall Sze	\$0	\$692(5)	\$288,750(6)	\$288,750(6)	\$692(6)	\$85,936(7)	\$85,936(7)	\$0	\$0	\$0	\$85,936(7)(8)
Simon Pedder	\$0	\$14,419(5)	\$315,000(6)	\$315,000(6)	\$14,419(6)	\$0	\$0	\$0	\$0	\$0	\$0

1. Dr. Lau is entitled to receive base salary in effect as of the date of termination for a period of 36 months following the date of such termination (\$1,575,000) and a cash payment equal to the value of our contribution to any benefits subscribed to by Dr. Lau at the time of termination (\$76,563) for a 36-month period. If such payment is due to termination without cause or for good reason or due to our non-renewal of Dr. Lau’s employment agreement, then the payment shall be made in installments on the payment dates on which Dr. Lau’s base salary would have otherwise been paid in accordance with our standard payroll policies. The timing of any such payment may be subject to a delay of six months from the date of termination as required by Section 409A of the Code. Payment of base salary and benefits past the date of termination is conditioned upon Dr. Lau electing to provide consulting services to us during such 36-month period. During the consulting period, Dr. Lau will be paid reasonable compensation for services rendered to us and our affiliates, receive continuation of health insurance or payment of premiums and would continue to be subject to the other applicable restrictive covenants in his employment agreement.
2. These amounts are also payable to Dr. Lau on our election not to renew his employment agreement.
3. Dr. Lau is entitled to receive base salary in effect as of the date of termination for a period of 36 months following the date of such termination (\$1,575,000), bonuses in effect as of the date of termination for a period of 36 months following the date of such termination (\$1,260,000) and a cash payment equal to the value of our contribution to any benefits subscribed to by Dr. Lau at the time of termination (\$76,563) for a 36-month period. If such payment is due to termination within one year following a change in control, then the payment shall be made in a lump sum within 10 days of such termination. The timing of any such payment may be subject to a delay of six months from the date of termination as required by Section 409A of the Code.
4. Dr. Lau’s Axis Therapeutics Limited award of RSUs (\$1,566,875) vests in full upon a change in control, business combination or termination without cause (as further described below). The value of a share of Axis stock on December 31, 2019 was \$0.545.
5. NEO is entitled to an amount sufficient to provide one year of healthcare coverage comparable to what he would have received while employed. These amounts reflect amounts paid to each NEO, other than 401K matching contributions, in footnote 6 of the Summary Compensation Table.
6. Assumes that we make our election under their respective employment agreements to enforce the one-year non-competition period and agree to pay through the end of the non-competition period his full amount of base salary and an amount equal to our contribution toward healthcare insurance coverage which he and his family, if applicable, were receiving as of the date of termination.
7. Mr. Sze’s Axis Therapeutics Limited award of stock options (\$85,936) vests in full upon a change in control, business combination or termination without cause.
8. Assumes the termination takes place at the time of the change in control.

## Payments on Termination

The amount of post-employment compensation that we will be required to pay to our NEOs, as set forth in the table, is determined pursuant to the terms of their respective employment agreements. There are no agreements between us and the NEOs that provide for payments upon termination other than the employment agreements described above. See “Employment Agreements” for the terms of the employment agreements for each NEO.

Our NEOs are ineligible for severance in the event they are terminated for cause.

Under Dr. Lau’s employment agreement, “cause” is defined as (i) the commission of a felony or other crime involving moral turpitude or the commission of any other act or omission involving dishonesty, disloyalty (i.e., a breach of fiduciary duty of loyalty), or fraud with respect to the Company; (ii) breach of fiduciary duties; (iii) gross negligence or willful misconduct with respect to the Company; (iv) substantial or repeated failure to perform material employment duties assigned by the Board which are consistent with the executive’s title and position, and, if curable, which failure is not cured within 15 days after written notice is delivered to the executive; or (v) material breach of executive’s obligations, which breach, if curable, is not cured within 30 days after written notice.

Under Dr. Lau’s employment agreement, “good reason” is defined as a resignation within two years of the occurrence of any of the following events: (i) a material and selective reduction in base salary, but not including a reduction in compensation that is applied generally to our executive officers and necessitated by financial conditions; (ii) a material reduction of authority, duties or responsibilities; or (iii) a material breach by us of Dr. Lau’s employment agreement.

For the other NEOs, “cause” generally means (i) documented nonperformance or nonperformance of their duties, or refusal to abide by or comply with the reasonable directives of the CEO, or the Company’s policies and procedures that continues without cure or remedy for thirty (30) days after the CEO has given written notice specifying in reasonable detail the manner in which the executive has failed to perform such duties or comply with such directions, (ii) conviction for, or plea of *nolo contendere* to, any felony causing material harm to the Company or the reputation of the Company, or any other conviction for, or plea of *nolo contendere* to, any act or omission involving fraud, theft or embezzlement, (iii) the commission of any other act or omission involving fraud with respect to the Company or any of its affiliates that could reasonably constitute a crime under applicable law based on the facts and circumstances as alleged, (iv) a breach by the executive his employment agreement, (v) the commission of any act that is in breach of the executive’s fiduciary duties of care or loyalty to Company, (vi) gross negligence or willful misconduct with respect to the Company or any of its affiliates that continues without cure or remedy for thirty (30) days after the CEO has given written notice to the executive specifying in reasonable detail the manner in which the executive has engaged in gross negligence or willful misconduct with respect to the Company or any of its affiliates, or (vii) a breach by the executive of any other material provision of his employment agreement that is not susceptible to remedy or cure, or if susceptible to remedy or cure, that is not cured or remedied and continues beyond thirty (30) days after the CEO has given written notice to the executive specifying in reasonable detail the manner in which the executive has breached his employment agreement.

For our other NEOs, “good reason” generally means, without such NEOs consent, the occurrence of one of the following: (i) a material diminution of the duties or change in position or compensation or change or removal of titles; (ii) our material breach of any provision of the employment agreement; (iii) resignation after an act by the CEO or the Board that would constitute a breach of our code of ethics, if any, or fiduciary duties, a crime or material fraud; or (iv) except for Dr. Kwan, the principal place of work is relocated by us or any acquiring or successor entity (or parent or subsidiary thereof) to a location more than 100 miles from our current location; provided, however, that the NEO shall have given written notice to the Company within 90 days after any event which has resulted in any such material diminution and the Company has failed to cure any such material diminution within 30 days of receipt of such written notice.

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Dr. Lau is also eligible for severance under his employment agreement upon a termination other than for cause in the context of a change in control. For these purposes, a change in control is defined as (i) any person or entity other than the Company or an affiliate (a “Person”), becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities; (ii) the Company’s shareholders approve a merger, consolidation or other business combination (a “Business Combination”) other than a Business Combination in which holders of common stock of the Company immediately prior to the Business Combination have substantially the same proportionate ownership of the equity of the surviving corporation or other business entity immediately after the Business Combination as immediately before; (iii) the Company’s shareholders approve either an agreement for the sale or disposition of all or substantially all of the Company’s assets to any entity that is not an affiliate, or a plan of complete liquidation of the Company; or (iv) the persons who were directors immediately before a tender offer by any Person other than the Company or an affiliate, or before a merger, consolidation or contested election, or before any combination of such transactions, cease to constitute a majority of the members of the Board as a result of such transaction or transactions, or the Company engages in a business transaction or agreement with a third-party that obtains and exercises the right to replace the majority of the members of the Board, including the Company’s Chairman of the Board.

### **Change in Control Compensation—Acceleration of Axis Equity Awards**

Pursuant to the award agreements for Dr. Lau and Mr. Sze pursuant to the Axis 2019 Equity Incentive Plan, their unvested RSUs and stock options, respectively, are subject to accelerated vesting upon the occurrence of a change in control, certain corporate transactions, or termination of service without cause.

A “change-in-control” is generally defined as a change in ownership or control effected through either of the following types of transactions:

- the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by Axis or by a company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, Axis) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the company’s outstanding securities pursuant to a tender or exchange offer made directly to the stockholders of Axis, or
- a change in the composition of the board of directors of Axis over a period of twelve (12) months or less such that a majority of the members of the board of directors (rounded up to the next whole number) ceases, by reason of one or more contested elections, to be comprised of individuals who are continuing members of the board of directors.

In our agreements, “cause” generally means, in the absence of a written agreement and definition for a particular grantee: (i) performance of any act or failure to perform any act in bad faith and to the detriment of Axis, its subsidiaries, Athenex or XLifeSc (the “Group”); (ii) dishonesty, intentional misconduct or material breach of any agreement with the Group; and (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, in each case as determined by the plan administrator.

## **PROPOSAL FOUR—APPROVAL OF AMENDED AND RESTATED 2017 OMNIBUS INCENTIVE PLAN**

We currently maintain the Athenex, Inc. 2017 Omnibus Incentive Plan, or the Incentive Plan. Our Board believes that the Incentive Plan has been an effective component of our compensation program and has heightened our ability to attract, retain and motivate highly qualified executives and employees. Our Board further believes that the awards granted under the Incentive Plan have provided an effective inducement to Incentive Plan participants to pursue our goals and objectives, including the creation of long-term value for our stockholders.

Our Board is requesting stockholder approval of an amendment and restatement of the Incentive Plan, referred to herein as the Amended Plan. Our Board has approved the below described changes, which are incorporated in the Amended Plan and which descriptions are qualified in their entirety by reference to the Amended Plan, a copy of which is attached to this proxy statement as [Appendix A](#).

As of December 31, 2019, the Incentive Plan had 332,096 shares remaining available for future issuance. In addition, a total of 3,519,772 shares issued or issuable pursuant to grants under the Incentive plan were outstanding with a weighted-average exercise price of \$10.80. See “Equity Compensation Plan Information” below for a more detailed description of the Incentive Plan.

### **Why We Are Asking Our Stockholders to Approve the Amended Plan**

We are seeking stockholder approval of the Amended Plan to increase the number of shares available for the grant of awards by 3,500,000 shares. Our stockholders’ approval of the Amended Plan will allow us to continue to utilize a broad array of equity incentives in order to attract and retain talent, and to continue to provide incentives that align the interests of our employees and directors with the interests of our stockholders.

Unless the Amended Plan is authorized and approved by our stockholders, the number of shares available for issuance under the Incentive Plan will be too limited to serve effectively as an incentive and retention tool for employees, directors and consultants. The requested increase will enable us to continue our policy of equity ownership by employees, directors and consultants as an incentive to contribute to the creation of long-term value for our stockholders. Absent sufficient equity incentives, we would need to consider additional cash based incentives to provide a market-competitive total compensation package necessary to attract, retain and motivate the talent that is critical to driving our success. Payment of cash incentives would then reduce the cash available for product development, operations and other corporate purposes.

### **Why You Should Vote for the Amended Plan**

#### ***We Manage Our Equity Incentive Award Use Carefully and Dilution Is Reasonable***

We continue to believe that equity incentive awards are a vital part of our overall compensation program. Our compensation philosophy reflects broad-based eligibility for equity incentive awards, and we grant awards to substantially all of our employees. However, we recognize that equity incentive awards dilute existing stockholders, and, therefore, we must responsibly manage the growth of our equity compensation program. We are committed to effectively monitoring our equity compensation share reserve, including our “burn rate,” to ensure that we maximize stockholders’ value by granting the appropriate number of equity incentive awards necessary to attract, reward, and retain employees. In addition, the vesting of some of our equity awards granted to our NEOs are contingent on meeting pre-defined performance criteria, thereby ensuring alignment with value creation.

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The following table shows our responsible historical dilution and burn rate percentages.

### **Burn Rate**

The following table provides detailed information regarding the activity related to our equity incentive plans for fiscal years 2019, 2018 and 2017.

	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>
Total number of shares of common stock subject to stock options granted and stock appreciation rights	847,500	1,449,650	1,741,732
Total number of shares of common stock subject to full value awards granted	223,723	0	400,000
Stock option equivalents	335,585	0	600,000
Weighted-average number of shares of common stock outstanding	74,054,261	64,590,270	49,960,925
Burn Rate	1.60%	2.24%	4.69%

### **Increase Request Is Reasonable**

If this Proposal Four is approved by our stockholders, we will have 3,500,000 new shares of common stock available for grant for a total of approximately 2,316,955 shares available for grant after our Annual Meeting, and absent any unforeseen circumstances, we do not anticipate returning to stockholders for additional shares for approximately three years.

If this Proposal Four is approved by our stockholders, the Amended Plan will become effective as of the date of the Annual Meeting. In the event that our stockholders do not approve this Proposal Four, the Amended Plan will not become effective, any contingent grants will be automatically forfeited and the Incentive Plan will continue in its current form.

### **Description of the Amended Plan**

As further described below, the Amended Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to our employees and any parent and subsidiary employees, and for the grant of non-qualified stock options, stock appreciation rights (SARs), restricted stock, restricted stock units (RSUs), dividend equivalent rights, cash-based awards (including annual cash incentives and long-term cash incentives), and any combination thereof. Except as noted below, the Amended Plan retains the material features of our existing Incentive Plan.

### **Amendments**

The Amended Plan contains the following material changes from the Incentive Plan:

- Increases the share reserve by 3,500,000 shares;
- Removes provisions related to Section 162(m) of the Code given the repeal of the performance-based compensation exception to the \$1 million deduction limit, while retaining the existing limit on annual awards of stock options; and
- Permits conditional awards of stock options subject to stockholder approval of the Amended Plan.

The Amended Plan also included the following changes:

- Prohibiting repricing of stock options and SARs without stockholder approval;

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- Eliminating the add-back to the share reserve of shares tendered or withheld for option exercises or tax withholding;
- Providing that SARs count against the share reserve based on the total number of shares subject to the award;
- Including a minimum vesting period on awards of one year, with a five percent carveout;
- Adding an annual limit on awards of restricted stock and RSUs of 500,000 shares and on cash awards of \$1 million;
- Restricting our ability to pay dividends or permit the vesting of dividend equivalents before vesting of the underlying award;
- Conditioning the effectiveness of acceleration of awards in the event of a corporate transaction or change in control upon the consummation of such event;
- Requiring the amount of a performance award that is earned or vested in connection with a corporate transaction or change in control to be based upon actual performance and/or the period of time elapsed in the performance period; and
- Defining a corporate transaction related to a merger in which we are not the surviving entity to require that there also be a change in voting control of fifty percent or more.

### **Plan Features**

#### ***Purpose***

The purposes of the Amended Plan are to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of our business.

#### ***Administration***

The Amended Plan provides that it may be administered by our Board or by one or more committees designated by our Board. The Amended Plan further provides that, with respect to the administration of the plan as it relates to directors and officers and to consultants and other employees, such committees shall in each case be constituted in compliance with applicable law.

#### ***Eligible Participants***

Awards other than incentive stock options may be granted to U.S. and non-U.S. employees, directors and consultants residing in jurisdictions determined by the plan administrator from time to time. Incentive stock options may be granted only to employees of the Company or its subsidiaries. The plan administrator has the ability to adopt or administer such procedures or subplans that the administrator deems appropriate or necessary on such terms and conditions different from those specified in the Amended Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Amended Plan or awards thereunder with respect to employees, directors and consultants outside the United States.

As of April 8, 2020, approximately 614 persons, including 6 executive officers, 8 non-employee directors and approximately 600 other individuals may be considered for awards under the Amended Plan.

#### ***Authorized Shares***

Subject to the approval of our stockholders, the maximum number of shares available for grant and issuance under the Amended Plan will be 7,700,000, minus the number of shares of common stock granted under the Incentive Plan to date, including Contingent Option grants (as further described below) and subject to further adjustment for shares underlying awards that are forfeited, canceled, expired or otherwise terminated without the issuance of shares.

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Awards will be counted against the available share reserve on the date of grant, based on the maximum number of shares that may be issued pursuant to the award. Shares issuable pursuant to the Amended Plan may be authorized but unissued or reacquired common stock.

### ***Types of Awards***

The Amended Plan allows for the granting of the following types of awards:

- Stock options (both incentive stock options and non-qualified stock options);
- Stock appreciation rights (SARs);
- Restricted stock;
- Restricted stock units (RSUs);
- Dividend equivalents; and
- Cash-based awards.

Each award granted under the Amended Plan is subject to an award agreement containing the particular terms and conditions of that award, subject to the limitations imposed by the Amended Plan.

### ***Stock Options.***

A stock option is the right to purchase a specified number of shares for a specified exercise price. Stock options may be either (a) incentive stock options, which are stock options that meet the requirements under Section 422 of the Code, or (b) non-qualified stock options, which are stock options that do not meet the requirements of Section 422 of the Code or that are designated as a nonqualified stock option. Only employees of the Company and our subsidiaries may receive awards of incentive stock options, and incentive stock options are subject to additional limitations. Stock options (other than stock options assumed or granted in substitution for outstanding stock options of a company acquired by us or any affiliate) are subject to the following: (i) the exercise price shall be equal to or greater than the fair market value of the shares subject to such stock option on the date of grant; and (ii) the expiration date shall be no later than 10 years from the date of grant. The exercise price may be payable either in (1) cash, (2) if permitted by the plan administrator, by delivery of irrevocable instructions to a broker to deliver promptly the proceeds from the sale of shares, (3) if permitted by the plan administrator, by tendering shares previously acquired, (4) if permitted by the plan administrator, by withholding shares that would otherwise be issued having a fair market value on the exercise date equal to the exercise price, or (5) any combination of the foregoing.

### ***Stock Appreciation Rights.***

A SAR is a right to receive cash or other property based on the increase in the value of a share over the per share exercise price. SARs (other than SARs assumed or granted in substitution for outstanding SARs of a company acquired by us or any affiliate) are subject to the following: (a) the exercise price shall be equal to or greater than the fair market value of the shares subject to such SAR on the date of grant; and (b) the expiration date shall be no later than 10 years from the date of grant.

### ***Restricted Stock.***

Restricted stock is an award of shares that is subject to vesting conditions. Prior to the expiration of the vesting period, a participant who has received an award of restricted stock has the right to vote and to receive dividends on the underlying unvested shares, subject, however, to the restrictions and limitations imposed pursuant to the Amended Plan and award agreement.

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### ***Restricted Stock Units.***

An RSU is an award that is valued by reference to shares, which may be paid to a participant upon vesting in shares, cash or other property.

### ***Dividend Equivalents.***

Awards other than stock options and SARs may include the right to receive dividends or dividend equivalents, subject to such terms, conditions, restrictions or limitations, if any, as the plan administrator may establish. However, dividends and dividend equivalents may be paid with respect to any award only if, when and to the extent that the award vests, and until such time, dividends and dividend equivalents may be held in escrow (with or without the accrual of interest) or be reinvested into additional shares subject to the same vesting or performance conditions as the award on which they are payable.

### ***Cash.***

Cash-based awards are awards denominated in cash that may be settled in cash and or shares of common stock, subject to such terms, conditions, restrictions or limitations, if any, as the plan administrator may establish.

### ***Award Limits***

#### ***Individual Limit on Option and SAR Awards.***

The maximum number of shares with respect to which stock options and SARs may be granted to any participant in any calendar year is 500,000 shares; provided that, up to an additional 500,000 shares may be granted in connection with a plan participant's commencement of service with the Company, which shall not count against the limit set forth in the previous sentence.

#### ***Individual Limit on Restricted Stock and RSU Awards.***

The maximum number of shares with respect to which restricted stock and RSUs may be granted to any participant in any calendar year is 500,000 shares.

#### ***Individual Limit on Cash-Based Awards.***

The maximum cash based award that may be paid to a participant in any 12-month period is \$1,000,000; provided, however, such maximum is subject to proration in the event the participant has served less than 12 months in such period.

#### ***Individual Limit for Awards to Board Members.***

The maximum number of shares issuable to Board members (in consideration of such Board member's service on the Board) in any calendar year is 200,000 shares.

#### ***Minimum Vesting Periods.***

All awards must be subject to a minimum vesting period of at least one year, except that a maximum of five percent of the aggregate number of shares issuable under the plan may be issued without being subject to such minimum vesting requirement.

#### ***Transferability***

A participant's rights in an award of incentive stock options may be assigned or transferred only in the event of death. Other awards are transferrable in the event of death and during the lifetime of the recipient to family members, charitable organizations, pursuant to domestic relations orders and agreements, and to estate planning vehicles, in each case to the extent permitted by the plan administrator.

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### ***Tax Withholding***

No shares or cash shall be delivered under the Amended Plan until the recipient has made arrangements acceptable to the administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of shares or cash. The administrator may provide in any award agreement that, upon exercise or vesting of an award, we shall, at the election of the recipient, withhold or collect from the recipient an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of shares covered by the award, if applicable, sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an award.

### ***Change in Control Features***

The Amended Plan provides the plan administrator the discretion to determine how outstanding awards are treated in the context of a transaction involving a “change in control” of the Company, provided such awards are not assumed or replaced in connection therewith. The plan administrator has the ability to determine, at the time of grant or at any time while the award remains outstanding, whether such awards contain acceleration features with respect to exercisability, vesting or settlement of, or the lapse of restrictions or deemed satisfaction of performance objectives, which may be pro-rated to the extent performance has taken place, in each case upon the consummation of a “change in control” (as such term is defined in the Amended Plan).

### ***Recoupment/Clawback Features***

Each award shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with any clawback, forfeiture or other similar policy adopted by our Board or the plan administrator and as in effect from time to time or to comply with applicable law.

### ***Adjustments***

The plan administrator shall make such proportional adjustments to the Amended Plan as it determines may be required to reflect a change in our capitalization, including adjustments to awards issued and issuable thereunder as a result of (i) increases or decreases in the number of issued shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of our common stock, or similar transaction affecting the shares of common stock, (ii) any other increase or decrease in the number of issued shares of common stock effected without receipt of consideration by the Company (other than conversion of convertible securities), or (iii) any other transaction with respect to our common stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction.

### ***Amendments and Termination***

The Amended Plan may be amended in whole or in part at any time and from time to time by our Board, and the terms of any outstanding award under the Amended Plan may be amended from time to time by our Board in its discretion provided that no amendment may be made without stockholder approval if required by applicable law or if such amendment would serve to reprice or adjust or amend the exercise price or consideration payable for any award under the Amended Plan.

No awards may be granted during any suspension of the Amended Plan or after its termination. However, with respect to outstanding awards, no suspension or termination may adversely affect in a material manner any right of a participant under such awards.

### ***Certain U.S. Federal Income Tax Consequences of Awards***

The following discussion is intended to provide only a general outline of the U.S. federal income tax consequences of participation in the Amended Plan and the receipt of awards or payments thereunder by

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participants subject to U.S. taxes. It does not address any other taxes imposed by the United States, taxes imposed by any state or political subdivision thereof or foreign jurisdiction, or the tax consequences applicable to participants who are not subject to U.S. taxes. The discussion set forth below does not purport to be a complete analysis of all potential tax consequences relevant to recipients of awards, particular circumstances, or all awards available under the Amended Plan. It is based on U.S. federal income tax law and interpretational authorities as of the date of this proxy statement, which are subject to change at any time.

### ***Nonqualified stock options.***

A participant who exercises a nonqualified stock option recognizes taxable ordinary income in the year the stock option is exercised in an amount equal to the excess of the fair market value of the shares purchased on the exercise date over the exercise price. Subject to applicable provisions of the Code, including Section 162(m), we are entitled to a tax deduction in an amount equal to the ordinary income recognized by the participant. Any gain or loss realized by the participant upon the subsequent disposition of the shares will be taxed as short-term (if held one year or less) or long-term (if held more than one year) capital gain, but will not result in any further deduction for us.

### ***Incentive stock options.***

A participant who exercises an incentive stock option does not recognize ordinary income at the time of exercise (although, the participant may be subject to alternative minimum tax), and we are not entitled to a tax deduction. Upon the disposition of the shares obtained from the exercise of the incentive stock option more than two years after the date of grant and more than one year after the date of exercise, the excess of the sale price of the shares over the exercise price of the incentive stock option is taxed as long-term capital gain. If the shares are sold within two years of the grant date and/or within one year of the date of exercise, the excess of the fair market value of the shares on the date of exercise (or sale proceeds if less) over the exercise price is taxed as ordinary income, and, subject to applicable provisions of the Code, including Section 162(m), we are entitled to a tax deduction for this amount; any remaining gain is taxed as short-term capital gain, without a Company tax deduction.

### ***Stock appreciation rights.***

A participant who exercises a SAR recognizes taxable ordinary income in the year the SAR is exercised in an amount equal to the cash and/or the fair market value of any shares or other property received. Subject to applicable provisions of the Code, including Section 162(m), we are entitled to a tax deduction in an amount equal to the ordinary income recognized by the participant.

### ***Restricted stock and restricted stock units.***

A participant normally will not recognize taxable income and we will not be entitled to a deduction upon the grant of shares of restricted stock, RSUs or other stock-based awards. When the restricted stock vests, the RSUs settle or the other stock-based awards are paid or settle, the participant will recognize taxable ordinary income in an amount equal to the fair market value of the shares or other property received at that time, less the amount, if any, paid for the shares, and, subject to applicable provisions of the Code, including Section 162(m), we will be entitled at that time to a deduction in an amount equal to the ordinary income recognized by the participant. However, a participant may elect to recognize taxable ordinary income in the year shares of restricted stock are granted in an amount equal to the excess of their fair market value at the grant date, determined without regard to certain restrictions, over the amount, if any, paid for the shares. In that event, subject to applicable provisions of the Code, including Section 162(m), we will be entitled to a deduction in such year in an amount equal to the ordinary income recognized by the participant. Any gain or loss realized by the participant upon the subsequent disposition of shares received will be taxed as short-term or long-term capital gain, but will not result in any further deduction for us.

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### ***Dividend Equivalents and Cash-Based Awards.***

A participant will not recognize taxable income and we will not be entitled to a tax deduction upon the grant of dividend equivalents or cash-based awards until cash or shares are paid or distributed to the participant. At that time, any cash payments or the fair market value of shares that the participant receives will be taxable to the participant at ordinary income tax rates and, subject to applicable provisions of the Code, including Section 162(m), we will be entitled at that time to a deduction in an amount equal to the ordinary income recognized by the participant. Payments in shares will be valued at the fair market value of the shares at the time of the payment, and upon the subsequent disposition of the shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

### **New Plan Benefits**

On February 24, 2020, our Compensation Committee granted an aggregate of 1,475,000 stock option awards contingent on stockholder approval, or Contingent Options, under the Amended Plan, subject to obtaining stockholder approval of the Amended Plan. The Contingent Options vest in equal annual installments over four years, with vesting commencing on February 24, 2021. The following table sets forth information pertaining to the Contingent Options. There are no other persons who have received Contingent Options. In the event stockholder approval of the Amended Plan is not obtained, all of the Contingent Options will be automatically forfeited. Other than the Contingent Options, future awards under the Amended Plan are discretionary and are generally not determinable at this time.

	<b>Contingent Option Awards Granted</b>
Johnson Y.N. Lau <i>Chief Executive Officer and Chairman of the Board</i>	300,000
Rudolf Kwan <i>Chief Medical Officer</i>	140,000
Jeffrey Yordon <i>Chief Operating Officer and President, Athenex Pharmaceutical Division</i>	100,000
Randoll Sze <i>Chief Financial Officer</i>	75,000
Simon Pedder <i>Chief Business and Strategy Officer, Proprietary Products</i>	60,000
All executive officers as a group (6 persons)	760,000
All non-executive directors as a group (8 persons)	115,000
All non-executive employees as a group (approximately 600 persons)	600,000

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### Aggregate Awards Granted

The following table sets forth information with respect to the number of shares subject to awards previously granted under the Incentive Plan since its inception through April 8, 2020, our record date, to each NEO, all current executive officers as a group, all current directors who are not executive officers as a group, and all employees, including all current officers who are not executive officers, as a group. With the exception of Johnson Lau and Rudolf Kwan, there are no persons who received or are to receive 5% or more of the available shares under the Incentive Plan. This table includes shares subject to awards that may have been exercised, cancelled or forfeited.

	<u>Number of Shares Underlying Options</u>	<u>Number of Shares Underlying Stocks Awards</u>
Johnson Y.N. Lau <i>Chief Executive Officer and Chairman of the Board</i>	3,485,046	0
Rudolf Kwan <i>Chief Medical Officer</i>	1,060,000	0
Jeffrey Yordon <i>Chief Operating Officer and President, Athenex Pharmaceutical Division</i>	580,000	0
Randall Sze <i>Chief Financial Officer</i>	188,000	0
Simon Pedder <i>Chief Business and Strategy Officer, Proprietary Products</i>	370,000	0
All current executive officers as a group	5,853,047	0
All current directors who are not executive officers as a group	774,250	0
All employees, including current officers who are not executive officers, as a group	4,356,774	131,000

### Equity Compensation Plan Information

The following table sets forth information as of December 31, 2019 with respect to our equity compensation plans:

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
<b>Equity compensation plans approved by security holders:</b>			
First Amended and Restated 2004 Common Unit Option Plan	1,944	4.55	0
First Amended and Restated 2007 Common Unit Option Plan	584,456	4.55	0
2017 Omnibus Incentive Plan	3,519,772	10.8	332,096
2017 Employee Stock Purchase Plan	0	0	897,442(2)
<b>Equity compensation plans not approved by security holders:</b>			
2013 Common Stock Option Plan <sup>(1)</sup>	6,810,764	6.57	681,578
<b>Total</b>	<u>10,916,936</u>	<u>7.83</u>	<u>1,911,116</u>

1. Our 2013 Common Stock Option Plan (the “2013 Plan”) was adopted by our Board in 2012 and authorized us to make grants of non-qualified stock options to our employees, directors and consultants and any employees, directors and consultants of a parent or subsidiary. We ceased issuing awards under the 2013 Plan following the implementation of the 2017 Plan in May 2017.
2. This includes shares of our common stock that are eligible for issuance in the current offering period that began on December 1, 2019 and ends on May 31, 2020.

#### **Required Vote**

Stockholders can vote **FOR, AGAINST OR ABSTAIN** on Proposal Four.

A majority of the shares entitled to vote and present or represented by proxy at the Annual Meeting is required to approve this Proposal Four.

#### **Recommendation of the Board**

**Our Board Recommends a Vote FOR Proposal Four.**

#### **AUDIT COMMITTEE REPORT**

The Audit Committee has (1) reviewed and discussed with management the audited financial statements for the fiscal year ended December 31, 2019, (2) discussed with Deloitte & Touche LLP (“D&T”), our independent registered public accounting firm, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (PCAOB) and the SEC, and (3) received the written disclosures and the letter from D&T concerning applicable requirements of the PCAOB regarding D&T’s communications with the Audit Committee concerning independence, and has discussed with D&T its independence. Based upon these discussions and reviews, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on March 2, 2020.

#### **THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

Benson Kwan Hung Tsang (Chair)  
Jordan Kanfer  
John Koh

#### **Pre-Approval Policy**

Our Audit Committee has adopted a policy for the pre-approval of all audit and permitted non-audit services that may be performed by our independent registered public accounting firm. Under this policy, each year, at the time it engages an independent registered public accounting firm, our Audit Committee pre-approves the engagement terms and fees and may also pre-approve detailed types of audit-related and permitted tax services, subject to certain dollar limits, to be performed during the year. All other permitted non-audit services are required to be pre-approved by our Audit Committee on an engagement-by-engagement basis. Our Audit Committee pre-approved all services performed by, and all fees paid to, D&T for the fiscal years ended December 31, 2019 and December 31, 2018.

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### Summary of Fees

The following table summarizes the aggregate fees billed for professional services rendered to us by D&T in 2019 and 2018. A description of these various fees and services follows the table.

	2019	2018
Audit Fees	1,854,729	\$781,227
Audit-Related Fees	214,564	32,185
Tax Fees	56,595	—
All Other Fees	73,103	2,061
Total Fees	2,198,991	\$815,473

#### *Audit Fees*

Audit fees for fiscal 2019 and fiscal 2018 consist of fees incurred for professional services rendered for the audit of our annual consolidated financial statements, the review of the interim consolidated financial statements, and related services that are normally provided in connection with registration statements, including two resale S-3s in connection with PIPEs completed by the Company.

#### *Audit-Related Fees*

Audit-related fees for fiscal 2019 and fiscal 2018 relate to assurance and related services that are reasonably related to the audit or review of our consolidated financial statements.

#### *Tax Fees*

Tax fees for fiscal 2019 include fees for tax compliance and advice. Tax compliance and advice fees encompass permissible services, including customs advice in China and technical tax advice in connection with our acquisition of CIDAL Limited, a contract research organization with headquarters and operations in Central and South America. No tax fees were billed to us by D&T for fiscal 2018.

#### *All Other Fees*

All other fees for fiscal 2019 related to internal control advisory services. All other fees for fiscal 2018 include subscriptions for online technical accounting resources provided by D&T.

## **PROPOSAL FIVE—RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

Our Board, including our Audit Committee, has selected and appointed D&T as our independent registered public accounting firm to audit the consolidated financial statements for the fiscal year ending December 31, 2020, and recommends that stockholders vote for the ratification of this appointment. D&T has audited our financial statements annually since 2015. D&T has advised us that it does not have, and has not had, any direct or indirect financial interest in the Company or its subsidiaries that impairs its independence under SEC rules. Notwithstanding its selection of D&T, our Audit Committee, in its discretion, may appoint a different independent registered public accounting firm at any time if it believes that doing so would be in our best interests and the best interests of our stockholders. In the event of a negative vote on ratification, our Audit Committee will reconsider, but might not change, its selection of an independent registered public accounting firm.

Representatives of D&T are expected to be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

### **Required Vote**

Stockholders can vote **FOR, AGAINST OR ABSTAIN** on Proposal Five.

A majority of the shares entitled to vote and present or represented by proxy at the Annual Meeting is required to approve this Proposal Five.

### **Recommendation of the Board**

**Our Board Recommends a vote FOR Proposal Five.**

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The table below presents certain information as of April 8, 2020 about (1) the persons known by us to be the record or beneficial owner of more than 5% of our common stock and (2) the shares of our common stock held by (i) each of our directors; (ii) each of our named executive officers (as identified under the heading “Executive Compensation”); and (iii) all of our directors and executive officers as a group. Percentages are based on 81,648,843 shares issued and outstanding as of April 8, 2020. Except as otherwise indicated, the address of each of the persons in this table is c/o Athenex, Inc., 1001 Main Street, Suite 600, Buffalo, NY 14203.

<b>Name of Beneficial Owner</b>	<b>Number of Shares of Common Stock Beneficially Owned</b>	<b>Percent of Class(1)</b>
<b>5% Stockholders</b>		
Perceptive Advisors LLC, et al 51 Astor Place, 10 <sup>th</sup> Floor New York, New York 10003	11,532,467 <sup>(2)</sup>	14.1%
Ma Huateng 29/F Three Pacific Place 1 Queen’s Road East Wanchai, Hong Kong	6,285,800 <sup>(3)</sup>	7.7%
Avoro Capital Advisors LLC 110 Greene Street, Suite 800 New York, New York 10012	5,261,437 <sup>(4)</sup>	6.4%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, New York 10055	5,125,340 <sup>(5)</sup>	6.3%
Mandra Entities c/o Newhaven Trustees (BVI) Limited 3 <sup>rd</sup> Floor. J&C Building P.O. Box 933 Road Town, Tortola, British Virgin Islands VG1110	4,225,789 <sup>(6)</sup>	5.2%
<b>Directors</b>		
Kim Campbell	75,750 <sup>(7)</sup>	*
Stephanie A. Davis	14,375 <sup>(8)</sup>	*
Manson Fok	3,118,074 <sup>(9)</sup>	3.8%
Jordan Kanfer	7,309 <sup>(10)</sup>	*
John Tiong Lu Koh	3,125 <sup>(7)</sup>	*
Johnson Y.N. Lau <sup>(11)</sup>	7,236,350 <sup>(12)</sup>	8.5%
Benson Tsang	16,812 <sup>(13)</sup>	*
John Moore Vierling	3,125 <sup>(7)</sup>	*
Jinn Wu	597,458 <sup>(14)</sup>	*
<b>Named Executive Officers</b>		
Rudolf Kwan	1,004,381 <sup>(15)</sup>	1.2%
Simon Pedder	235,310 <sup>(16)</sup>	*
Randoll Sze	61,500 <sup>(17)</sup>	*
Jeffrey Yordon	597,259 <sup>(18)</sup>	*
All directors and executive officers as a group (14 persons)	14,231,782 <sup>(19)</sup>	16.3%

\* Less than 1%.

1. The amounts reported by each person are as of April 8, 2020, with percentages based on 81,648,843 shares issued and outstanding as of that date, except where the person has the right to receive shares within the next 60 days (as indicated in the other footnotes to this table), which would increase the number of shares owned by such person and the number of shares outstanding. Under the rules of the Securities and Exchange Commission, “beneficial ownership” is deemed to include shares for which a person, directly or indirectly, has or shares voting or dispositive power, whether or not they are held for the person’s benefit, and includes shares that may be acquired within 60 days, including the right to acquire shares by the exercise of options. Shares that may be acquired within 60 days by the exercise of options are referred to in the footnotes to this table as “presently exercisable options.” Unless otherwise indicated in the other footnotes to this table, each stockholder named in the table has sole voting and sole dispositive power with respect to the all of the shares shown in the table.
2. This information as to the beneficial ownership of shares of our common stock is based on an amendment to Schedule 13G dated December 31, 2019 filed with the Securities and Exchange Commission by Perceptive Advisors LLC, Joseph Edelman and Perceptive Life Sciences Master Fund, Ltd. (the “Master Fund”) and a Form 4, Statement of Changes in Beneficial Ownership, filed with the Securities and Exchange Commission on December 27, 2019 by Perceptive Advisors LLC, Joseph Edelman and the Master Fund. Perceptive Advisors LLC, which serves as the investment manager to the Master Fund, and Mr. Edelman, the managing member of Perceptive Advisors LLC, may each be deemed to beneficially own the securities directly held by the Master Fund. Perceptive Advisors LLC and Mr. Edelman each report shared voting and shared dispositive power with respect to all 11,532,467 shares. The Master Fund reports shared voting and shared dispositive power with respect to all 11,532,467 shares it directly holds.
3. This information as to the beneficial ownership of shares of our common stock is based on an amendment to Schedule 13G dated December 31, 2018 filed with the Securities and Exchange Commission by Ma Huateng and Advance Data Services Limited (“ADSL”) and a Form 3, Initial Statement of Beneficial Ownership of Securities, filed with the Securities and Exchange Commission by Ma Huateng and ADSL on July 13, 2017. ADSL directly owns 6,205,800 shares of common stock. As the sole owner of ADSL, Ma Huateng may be deemed to beneficially own the shares owned by ADSL. Ma Huateng and ADSL each report sole voting and sole dispositive power with respect to the shares owned by ADSL. The amount shown includes a presently exercisable option to purchase 80,000 shares of common stock held by Ma Huateng.
4. This information as to the beneficial ownership of shares of our common stock is based on a Schedule 13G dated December 31, 2019 filed with the Securities and Exchange Commission by Avoro Capital Advisors LLC and Behzad Aghazadeh. Avoro Capital Advisors LLC provides investment advisory and management services and acquired the shares solely for investment purposes on behalf of Avoro Life Sciences Fund LLC and certain managed accounts. Avoro Capital Advisors LLC and Behzad Aghazadeh each report sole voting and sole dispositive power with respect to all 5,261,437 shares.
5. This information as to the beneficial ownership of shares of our common stock is based on a Schedule 13G dated December 31, 2019 filed with the Securities and Exchange Commission by BlackRock, Inc. BlackRock, Inc. reports sole voting power with respect to 5,027,103 shares and sole dispositive power with respect to all 5,125,340 shares.
6. This information as to the beneficial ownership of shares of our common stock is based on the Form 4, Statement of Changes in Beneficial Ownership, filed with the Securities and Exchange Commission on March 14, 2019 by Song-Yi Zhang, one of our former directors. The amount shown reflects 3,938,613 shares of common stock held by Mandra Medical Limited and 287,176 shares of common stock held by Mandra Health Limited. Mandra Medical Limited and Mandra Health Limited are collectively referred to as the Mandra Entities. Each of Mandra Medical Limited and Mandra Health Limited are wholly-owned subsidiaries of Beansprouts Limited. Song-Yi Zhang is a member of the board of directors of each of Mandra Medical Limited and Mandra Health Limited and, together with his spouse, owns all of the outstanding interests in Beansprouts Limited and shares voting and dispositive power over the shares held by Beansprouts Limited.

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7. The amount shown reflects presently exercisable options to purchase the reported number of shares of our common stock.
8. The amount shown includes presently exercisable options to purchase 4,375 shares of our common stock.
9. The amount shown includes (i) presently exercisable options to purchase 307,500 shares of our common stock; (ii) 678,880 shares owned by Avalon Biomedical, an indirect wholly-owned subsidiary of Avalon Global Holdings Limited (“Avalon Global”); (iii) a presently exercisable option to purchase 54,904 shares of our common stock held by Avalon Biomedical; and (iv) 107,181 shares held by Avalon Polytom (HK) Limited (“Polytom”), a majority-owned affiliate of Avalon Global. Dr. Fok, together with his spouse, owns all of the outstanding interests in Dream Chaser Developments Limited, which owns 34.6% of the outstanding interests in Avalon Global. Dr. Fok serves on the board of directors of Avalon Global and has shared voting and dispositive power with respect to the shares held by Avalon Biomedical.
10. The amount shown includes presently exercisable options to purchase 3,125 shares of our common stock.
11. Dr. Lau is also a named executive officer.
12. The amount shown includes (i) presently exercisable options to purchase 3,117,501 shares; (ii) 164,925 shares held by Dr. Lau’s spouse; (iii) 678,880 shares owned by Avalon Biomedical, an indirect wholly-owned subsidiary of Avalon Global; (vi) a presently exercisable option to purchase 54,904 shares of our common stock held by Avalon Biomedical; and (vii) 107,181 shares held by Polytom, a majority-owned affiliate of Avalon Global. Dr. Lau owns all of the outstanding interests in Creative Decade Global Limited, which owns 34.6% of the outstanding interests in Avalon Global. Dr. Lau serves on the board of directors of Avalon Global and has shared voting and dispositive power with respect to the shares held by Avalon Biomedical.
13. The amount shown includes presently exercisable options to purchase 6,812 shares of our common stock.
14. The amount shown includes presently exercisable options to purchase 226,250 shares of our common stock.
15. The amount shown includes presently exercisable options to purchase 863,333 shares of our common stock.
16. The amount shown includes presently exercisable options to purchase 230,000 shares of our common stock.
17. The amount shown includes presently exercisable options to purchase 56,500 shares of our common stock.
18. The amount shown includes presently exercisable options to purchase 378,333 shares of our common stock.
19. The amount shown includes presently exercisable options to purchase 5,524,288 shares of our common stock.

### **DELINQUENT SECTION 16(A) REPORTS**

Section 16(a) of the Exchange Act requires directors, executive officers and persons who beneficially own more than 10% of a registered class of our common stock or other equity securities to file with the SEC certain reports of ownership and reports of changes in ownership of our securities. Executive officers, directors and stockholders who hold more than 10% of our outstanding common stock are required by the SEC to furnish us with copies of all required forms filed under Section 16(a). Based solely on a review of this information and/or written representations from these persons that no other reports were required, we believe that, during the prior fiscal year all of our executive officers, directors, and to our knowledge, greater than 10% stockholders, complied with the filing requirements of Section 16(a) of the Exchange Act, except for: Stephanie Davis, Jordan Kanfer, John Tiong Lu Koh and John Moore Vierling, who each filed a late Form 4 on April 9, 2019 to report an award of options to purchase shares of our common stock on April 3, 2019; Perceptive Life Sciences Master Fund, Ltd., Perceptive Advisors LLC and Joseph Edelman, who each filed a late Form 4 on December 26, 2019 to report two purchases of common stock on December 19, 2019 and one purchase of common stock on December 20, 2019; and Perceptive Life Sciences Master Fund, Ltd., Perceptive Advisors LLC and Joseph Edelman, who each filed a late Form 4 on August 9, 2019 to report one purchase of common stock on each of June 21, 24, and 25, 2019. In making this statement, we have relied upon the written representations of our directors, officers, and to our knowledge, greater than 10% stockholders, and copies of the reports that they have filed with the SEC.

## CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

The following is a summary of each transaction or series of similar transactions since January 1, 2019, to which we were or are a party in which:

- the amount involved exceeded or exceeds \$120,000; and
- any of our directors or executive officers, any holder of 5% or more of our capital stock or any immediate family member of any of the foregoing had or will have a direct or indirect material interest.

### Contractual Arrangements

#### *Avalon BioMedical (Management) Limited & Subsidiaries*

Since 2015, our subsidiary, Comprehensive Drug Enterprises Limited, or CDE, has entered into a series of agreements with Avalon BioMedical (Management) Limited, or Avalon BioMedical (and together with its subsidiaries, “Avalon”), under which Avalon BioMedical will occupy space and use certain services and facilities and pay to CDE a certain percentage of the total services, expenses and rent payment based on its staff headcount occupying CDE’s Hong Kong research and development facility. Pursuant to such agreements, Avalon BioMedical paid to CDE approximately \$0.4 million in 2019.

In June 2018, we entered into two in-licensing agreements with Avalon wherein we obtained certain intellectual property (“IP”) from Avalon to develop and commercialize the underlying products. Under these agreements we are required to pay upfront fees, future milestone payments, and sales-based royalties. During the year ended December 31, 2019, we recorded a \$1.0 million milestone fee paid to Avalon, as research and development expenses on its consolidated statement of operations and comprehensive loss.

In June 2019, we entered into an agreement whereby Avalon will hold a 90% ownership interest and we will hold a 10% ownership interest of the newly formed entity under the name Nuwagen Limited (“Nuwagen”), incorporated under the laws of Hong Kong. Nuwagen is principally engaged in the development and commercialization of herbal medicine products for metabolic, endocrine, and other related indications. We will contribute nonmonetary assets in exchange for the 10% ownership interest. As of April 8, 2020, the transaction had not closed and we had not recorded the investment.

Dr. Lau, our Chief Executive Officer and Chairman, Dr. Fok, one of our directors, and Mr. Zhang, one of our former directors who stepped down from the Board in 2019, collectively have a controlling interest in, and serve on the board of directors of, Avalon Global Holdings Limited, the indirect parent of Avalon BioMedical. As of December 31, 2019, Avalon held 786,061 shares of our common stock, which represented approximately 1% of our total issued shares for the period.

#### *ZenRx Limited*

We receive certain clinical development services from ZenRx Limited and its subsidiaries (“ZenRx”), a company for which Dr. Rudolf Kwan, one of our executive officers, serves on the board of directors. ZenRx is a contract research company located in New Zealand. ZenRx conducts certain clinical development with us and we have entered into the ZenRx License with ZenRx. In connection with such services, we made payments to ZenRx of \$2.7 million for the year ended December 31, 2019.

In April 2013, we entered into a license agreement with ZenRx pursuant to which we granted an exclusive, sublicensable license to use certain of our IP to develop and commercialize oral irinotecan and encequidar, and oral paclitaxel and encequidar in Australia and New Zealand, and a non-exclusive license to manufacture a certain compound, but only for use in oral irinotecan and encequidar and oral paclitaxel and encequidar. ZenRx is responsible for all development, manufacturing and commercialization, and the related costs and expenses, of any product candidates resulting from the agreement. No revenue was earned from this license agreement in 2019.

***Dr. Jane Fang***

We have entered into a consulting agreement with Dr. Jane Fang, who is the wife of Dr. Lau, our Chairman and Chief Executive Officer to provide consulting advice related to the development of our KX-01 ointment, reporting to Dr. Kwan, our Chief Medical Officer. We paid consulting fees of approximately \$0.4 million to Dr. Fang in 2019.

**Procedures for Approval of Related-Party Transactions**

Our Board has adopted a written policy and procedures for the review, approval or ratification of related party transactions. Our Audit Committee is responsible for reviewing and approving or ratifying any related-party transaction reaching a certain threshold of significance. In the course of its review and approval or ratification of a related-party transaction, the committee, among other things, considers, consistent with Item 404 of Regulation S-K, the following:

- the nature and amount of the related person's interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of transaction; and
- any other matters our Audit Committee deems appropriate.

Any director, including any member of our Audit Committee who is a related person with respect to a related-party transaction under review will not be permitted to participate in the deliberations or vote regarding approval or ratification of the transaction other than providing all material information concerning the related person transaction to our Audit Committee. However, such director may be counted in determining the presence of a quorum at a meeting of the committee that considers the transaction. If a related person transaction will be ongoing, our Audit Committee, at least annually, must take into consideration our contractual obligations to determine if it is in the best interests of the Company to continue, modify or terminate each such related person transaction.

Under the policy, a related-party transaction is any transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships (including the incurrence or issuance of any indebtedness or the guarantee of indebtedness) in which we or any of our subsidiaries is a participant, whether or not we or any of our subsidiaries is a party thereto, and any related person has or will have a direct or indirect material interest. A related person is any person who is or was, since the beginning of the last fiscal year for which we have filed a Form 10-K and proxy statement, an executive officer, director or nominee for election as a director (even if the person does not presently serve in that role), a beneficial owner of more than 5% of any class of our voting securities or any immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

Our Compensation Committee currently consists of Ms. Davis, Mr. Tsang and Dr. Vierling. None of our executive officers currently serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of another entity that has one or more executive officers serving on the Board or Compensation Committee. No interlocking relationship exists between any member of our Board or any member of our Compensation Committee (or other committee performing equivalent functions) of any other company.

**STOCKHOLDER PROPOSALS**

Stockholders may present proposals for action at meetings of stockholders only if they comply with the proxy rules established by the SEC, applicable Delaware law and our amended and restated bylaws. We have not received any stockholder proposals for consideration at our Annual Meeting.

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Our stockholders may submit proposals for inclusion in the proxy solicitation materials. These proposals must satisfy the requirements of Rule 14a-8 of the Exchange Act in order for a stockholder proposal to be included in our proxy solicitation materials for the 2021 annual meeting of stockholders. The proposal must be delivered in writing to our Corporate Secretary at our principal executive office, 1001 Main Street, Suite 600, Buffalo, New York 14203 by December 16, 2020; provided, however, that if the date of the 2021 annual meeting of stockholders is more than 30 days before or after June 5, 2021, notice by the stockholder must be delivered a reasonable time before we print and send our proxy materials for the 2021 annual meeting of stockholders.

Stockholders of record wishing to present other proposals at our 2021 annual meeting of stockholders, including any nomination of persons for election to the Board, must provide proper written notice such that the proposal must: (i) be received by the Company at the address set forth in the preceding sentence not less than 90 days nor more than 120 days prior to June 5, 2021; provided that if the date of the 2021 annual meeting of stockholders is changed by more than 30 days before or 60 days after the anniversary date of this year's Annual Meeting, the proposal must be received by the Company not less than 90 days nor more than 120 days prior to the 2021 annual meeting of stockholders and no later than the close of business on the 10<sup>th</sup> day following the earlier of the date on which notice of the date of the meeting was mailed and the date on which public disclosure of the meeting date was made; and (ii) concern a matter that may be properly considered and acted upon at the annual meeting in accordance with applicable laws, regulations and the Company's amended and restated bylaws and policies. A stockholder notice to the Company of any such proposal must include the information required by the Company's amended and restated bylaws.

### **HOUSEHOLDING OF PROXY MATERIALS**

We have adopted a procedure permitted by SEC rules that is commonly referred to as "householding." Under this procedure, only one copy of the Proxy Materials is being delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders at that address. Upon request, we will promptly deliver a separate copy of Proxy Materials to one or more stockholders at a shared address to which a single copy of Proxy Materials was delivered. You can request a separate copy of Proxy Materials without charge by writing to our Corporate Secretary at 1001 Main Street, Suite 600, Buffalo, New York 14203 or by calling (716) 427-2950. In addition, stockholders at a shared address can request delivery of a single copy of Proxy Materials if they are receiving multiple copies of Proxy Materials in the future in the same manner as described above. If you are a beneficial owner, your broker, bank, nominee or other similar organization may continue to send a single copy of Proxy Materials to your household. Please contact your broker, bank, nominee or other similar organization if you wish to adjust your preferences regarding the delivery Proxy Materials.

### **OTHER MATTERS**

Other than those matters set forth in this proxy statement, we do not know of any additional matters to be submitted at the meeting. If any other matters properly come before the annual meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent as our Board recommends.

### **THE BOARD OF DIRECTORS**

Dated: April 15, 2020

ATHENEX, INC.

AMENDED AND RESTATED  
2017 OMNIBUS INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.
2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.
  - (a) "Administrator" means the Board or any of the Committees appointed to administer the Plan.
  - (b) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.
  - (c) "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Awards granted to residents therein.
  - (d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.
  - (e) "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Stock, Restricted Stock Unit, Cash-Based Award or other right or benefit under the Plan.
  - (f) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.
  - (g) "Board" means the Board of Directors of the Company.
  - (h) "Cash-Based Award" means an award denominated in cash that may be settled in cash and/or Shares, which may be subject to restrictions, as established by the Administrator.
  - (i) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person, in each case as determined by the Administrator; provided, however, that with regard to any agreement that defines "Cause" as occurring upon the consummation of, or in connection with, a Corporate Transaction or a Change in Control, such definition of "Cause" shall not apply until a Corporate Transaction or a Change in Control is actually consummated.

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(j) “Change in Control” means a change in ownership or control of the Company effected through either of the following types of transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s stockholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such stockholders accept, or

(ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(k) “Code” means the Internal Revenue Code of 1986, as amended.

(l) “Committee” means any committee composed of members of the Board appointed by the Board to administer the Plan.

(m) “Common Stock” means the common stock of the Company.

(n) “Company” means Athenex, Inc., a Delaware corporation, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(o) “Consultant” means any person (other than an Employee or a Director, solely with respect to rendering services in such person’s capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(p) “Continuing Directors” means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(q) “Continuous Service” means that the provision of services to the Company or a Related Entity by an Employee, Director or Consultant in any capacity has not been interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity to which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers of an Employee, Director or Consultant among the Company, any Related Entity, or any successor, in any capacity, or (iii) any change in status of an Employee, Director or Consultant as long as the individual remains in the service of the Company or a Related Entity in any capacity (except as otherwise provided in the Award Agreement). Notwithstanding the foregoing, except as otherwise determined by the Administrator, in the event of any spin-off of a Related Entity, service as an Employee, Director or Consultant for such Related Entity following such spin-off shall be deemed to be Continuous Service for purposes of the Plan and any Award under the Plan. An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three (3) months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the expiration of such three (3) month period.

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(r) “Corporate Transaction” means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a merger or consolidation in which the Company is not the surviving entity and securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or consolidation, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Common Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, and (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(s) “Director” means a member of the Board or the board of directors of any Related Entity.

(t) “Disability” means a “Disability” as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, “Disability” means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(u) “Dividend Equivalent Right” means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Stock, provided that no such right may be granted with respect to Options or SARs. Dividend Equivalent Rights granted in connection with a Restricted Stock Unit shall be subject to the vesting of the underlying Restricted Stock Unit.

(v) “Employee” means any person, including an Officer, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by the Company or a Related Entity shall not be sufficient to constitute “employment” by the Company.

(w) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

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(x) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market of The NASDAQ Stock Market LLC, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(y) “Grantee” means an Employee, Director or Consultant who receives an Award under the Plan.

(z) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(aa) “Non-Qualified Stock Option” means an Option not intended to qualify as an Incentive Stock Option.

(bb) “Officer” means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(cc) “Option” means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.

(dd) “Parent” means a “parent corporation”, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(ee) “Performance Period” means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to, or the amount or entitlement to, an Award.

(ff) “Plan” means this Amended and Restated 2017 Omnibus Incentive Plan, as amended from time to time.

(gg) “Related Entity” means any Parent or Subsidiary of the Company.

(hh) “Replaced” means that pursuant to a Corporate Transaction the Award is replaced with a comparable stock award or a cash incentive award or program of the Company, the successor entity (if applicable) or the Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or, for the Grantee, a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

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(ii) “Restricted Stock” means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions and forfeiture provisions, if any, and other terms and conditions as established by the Administrator. Dividends payable in connection with a Restricted Stock Award shall only be payable upon the vesting of the underlying Share of Restricted Stock.

(jj) “Restricted Stock Units” means an Award which may be earned based on criteria, if any, established by the Administrator, including being earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator, and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(kk) “Rule 16b-3” means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

(ll) “SAR” means a stock appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Common Stock.

(mm) “Share” means a share of the Common Stock.

(nn) “Subsidiary” means a “subsidiary corporation”, whether now or hereafter existing, as defined in Section 424 (f) of the Code.

### 3. Stock and Cash Subject to the Plan.

(a) Subject to the provisions of Section 10 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards shall be 7,700,000 Shares. Notwithstanding the foregoing, subject to the provisions of Section 10, below, the maximum aggregate number of Shares that may be issued pursuant to Incentive Stock Options is 7,700,000 Shares. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Stock.

(b) Except as otherwise provided by this Section 3(b), any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan. Any Shares covered by an Award which are surrendered (i) in payment of the Award exercise or purchase price (including pursuant to the “net exercise” of an option pursuant to Section 7(b)(v)) or (ii) in satisfaction of tax withholding obligations incident to the exercise, vesting or settlement of an Award shall be deemed to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan. SARs payable in Shares shall reduce the maximum aggregate number of Shares which may be issued under the Plan by the number of Shares covered by the SAR.

### 4. Administration of the Plan.

#### (a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors, or Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws and to permit such grants and related transactions under the Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. In the case of Awards granted to Directors, or Employees who are also Officers or Directors of the Company, references to the “Administrator” or to a “Committee” shall be deemed to be references to such Committee.

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(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Awards to Employees or Consultants who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board or such Committee may authorize one or more Officers to grant such Awards and may limit such authority as the Board or such Committee determines from time to time.

(b) Powers of the Administrator. Subject to Applicable Laws, the provisions of the Plan (including any other powers given to the Administrator hereunder) and the limitation set forth in Section 4(c) below, and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;
- (ii) to determine whether and to what extent Awards are granted hereunder;
- (iii) to determine the number of Shares or the amount of cash or other consideration to be covered by each Award granted hereunder;
- (iv) to approve forms of Award Agreements for use under the Plan;
- (v) to determine the terms and conditions of any Award granted hereunder;
- (vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent; provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee;
- (vii) to prescribe, amend and rescind rules and regulations relating to the Plan and to define terms not otherwise defined herein;
- (viii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;
- (ix) to approve corrections in the documentation or administration of any Award;
- (x) to grant Awards to Employees, Directors and Consultants employed outside the United States or to otherwise adopt or administer such procedures or subplans that the Administrator deems appropriate or necessary on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Plan; and
- (xi) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided, however, that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator in connection with the administration of this Plan in accordance with the terms hereof shall be final, conclusive and binding on all persons having an interest in the Plan.

(c) Repricing Prohibited Absent Stockholder Approval. Notwithstanding any provision of the Plan, except for adjustments pursuant to Section 10 below, neither the Board, the Committee nor the Administrator

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may reprice, adjust or amend the exercise price of Options or the base appreciation amount of SARs previously awarded to any Grantee, whether through amendment, cancellation and replacement grant, or any other means, unless such action is approved by the stockholders of the Company. In addition, notwithstanding any other provision in the Plan to the contrary, an Option or SAR may not be surrendered in consideration of, or exchanged for cash, other Awards, or a new Option or SAR having an exercise price or base appreciation amount below that of the Option or SAR which was surrendered or exchanged, unless the exchange occurs in connection with a merger, acquisition or similar transaction as set forth in Section 11 below, or such action is approved by the stockholders of the Company. Any amendment or repeal of this Section 4(c) shall require the approval of the stockholders of the Company.

### (d) Conditional Awards.

(i) Prior to the approval of the Plan (as hereby amended and restated) by the stockholders of the Company, the Administrator may grant Options that are conditioned on such approval occurring no later than the 2020 annual meeting of the stockholders of the Company (“Conditional Awards”). If the stockholders of the Company fail to approve the Plan by the date of such annual meeting, then all Conditional Awards shall be automatically cancelled and immediately become null and void.

(ii) Conditional Awards may be granted under the Plan only under the following conditions: (1) a Conditional Award may only be granted in the form of an Option; (2) a Conditional Award shall be clearly identified as a Conditional Award; (3) the grant of a Conditional Award shall be expressly conditioned on the approval of the Plan by the stockholders of the Company no later than the 2020 annual meeting of the stockholders of the Company; and (4) notwithstanding any other provision of the Plan, no Grantee of a Conditional Award shall have any right to exercise the Option or receive Shares prior to such stockholder approval.

(e) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys’ fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal related thereto, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which such member of the Board or Officer or Employee shall be adjudged in such claim, investigation, action, suit or proceeding to be liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such member of the Board or Officer or Employee shall offer to the Company, in writing, the opportunity for the Company to defend such claim, investigation, action, suit or proceeding at the Company’s expense.

5. Eligibility. Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. Incentive Stock Options may be granted only to Employees of the Company or a Parent or a Subsidiary of the Company. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors or Consultants who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

### 6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and

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that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, SAR or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards may include, without limitation, Options, SARs, sales or bonuses of Restricted Stock, Restricted Stock Units, Cash-Based Awards or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, an Option will qualify as an Incentive Stock Option under the Code only to the extent the \$100,000 limitation of Section 422(d) of the Code is not exceeded. The \$100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. In the event that the Code or the regulations promulgated thereunder are amended after the date the Plan becomes effective to provide for a different limit on the Fair Market Value of Shares permitted to be subject to Incentive Stock Options, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule (subject to Section 6(m) below), repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies and satisfaction of any performance criteria. The performance criteria established by the Administrator may be based on one or more objective or subjective criteria established by the Administrator. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity and may be measured over any specified period, including but not limited to quarterly, semi-annually, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Administrator. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

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### (g) Individual Limitations on Awards.

(i) Individual Limit for Options and SARs. The maximum number of Shares with respect to which Options and SARs may be granted to any Grantee in any calendar year shall be 500,000 Shares. In connection with a Grantee's commencement of Continuous Service, a Grantee may be granted Options and SARs for up to an additional 500,000 Shares which shall not count against the limit set forth in the previous sentence. The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10 below.

(ii) Individual Limit for Restricted Stock and Restricted Stock Units. The maximum number of Shares with respect to which Restricted Stock and Restricted Stock Units may be granted to any Grantee in any calendar year shall be 500,000 Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10 below.

(iii) Individual Limit for Cash-Based Awards. With respect to each twelve (12) month period that constitutes or is part of each Performance Period, the maximum amount that may be paid to a Grantee pursuant to a Cash-Based Award shall be \$1,000,000. In addition, the foregoing limitation shall be prorated for any Performance Period consisting of fewer than twelve (12) months by multiplying such limitation by a fraction, the numerator of which is the number of months in the Performance Period and the denominator of which is twelve (12).

(iv) Individual Limit for Awards to Members of the Board. The maximum number of Shares with respect to which Awards may be granted to any member of the Board (in consideration for such member's service as a member of the Board) in any calendar year shall be 200,000 Shares.

(h) Deferral. If the vesting or receipt of Shares or cash under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares or amount of cash subject to such Award will not be treated as an increase in the number of Shares or amount of cash subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).

(i) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(j) Term of Award. The term of each Award shall be the term stated in the Award Agreement; provided, however, that the term of an Incentive Stock Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award.

(k) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Other Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, to charitable organizations or pursuant to domestic

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relations orders or agreements, in all cases without payment for such transfers to the Grantee. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(l) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

(m) Minimum Vesting Periods. Awards granted under the Plan shall not vest for at least one year after the date of grant, except that up to a maximum of five percent (5%) of the maximum aggregate number of Shares that may be issued under the Plan set forth in Section 3(a) above may be issued pursuant to Awards without regard for any such minimum vesting period.

### 7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) In the case of SARs, the base appreciation amount shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iv) In the case of other Awards, such price as is determined by the Administrator.

(v) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(d), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award, including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following, provided that the portion of the consideration equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(i) cash;

(ii) check;

(iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

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(iv) with respect to Options, if the exercise occurs when the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation the NASDAQ Stock Market, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;

(v) with respect to Options, payment through a “net exercise” such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the exercise price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares or cash shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares or cash. The Administrator may provide in any Award Agreement that, upon exercise or vesting of an Award, the Company shall, at the election of the Grantee, withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award, if applicable, sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award (reduced to the lowest whole number of Shares if such number of Shares withheld would result in withholding a fractional Share with any remaining tax withholding settled in cash).

### 8. Exercise of Award.

#### (a) Procedure for Exercise; Rights as a Stockholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

#### (b) Exercise of Award Following Termination of Continuous Service.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee’s Continuous Service only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee’s Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

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(iii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

### 9. Conditions Upon Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

(b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

10. Adjustments Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company and Section 11 hereof, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award and the numerical limits set forth in Section 6(g), as well as any other terms that the Administrator determines require adjustment, shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." In the event of any distribution of cash or other assets to stockholders other than a normal cash dividend, the Administrator shall also make such adjustments as provided in this Section 10 or substitute, exchange or grant Awards to effect such adjustments (collectively "adjustments"). Any such adjustments to outstanding Awards will be effected in a manner that precludes the enlargement of rights and benefits under such Awards. In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

### 11. Corporate Transactions and Changes in Control.

(a) Termination of Award to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control. In the event Awards are not Assumed or Replaced in connection with a Corporate Transaction or Change in Control, the Administrator shall have the authority (including at the time of the grant of an Award under the Plan or any time while an Award remains outstanding), subject to Section 11(c) below, to provide for the full or partial automatic vesting and exercisability of one or more outstanding unvested Awards under the Plan and the release from

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restrictions on transfer or forfeiture rights of such Awards, on such terms and conditions as the Administrator may specify. Any such Award vesting and exercisability or release from restrictions on transfer or forfeiture rights shall be conditioned upon the consummation of the Corporate Transaction or Change in Control. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from such limitations upon the subsequent termination of the Continuous Service of the Grantee within a specified period following the effective date of the Corporate Transaction or Change in Control. The Administrator may provide that any Awards so vested or released from such limitations in connection with a Corporate Transaction or Change in Control shall remain fully exercisable until the expiration or sooner termination of the Award.

(c) Treatment of Performance-Based Awards. With respect to any Award granted under the Plan that is earned or vested based upon achievement of performance criteria, any amount deemed earned or vested in connection with a Corporate Transaction or Change in Control shall be based upon the degree of performance attainment and/or the period of time elapsed in the Performance Period as of the applicable date.

(d) Effect of Acceleration on Incentive Stock Options. Any Incentive Stock Option accelerated under this Section 11 in connection with a Corporate Transaction or Change in Control shall remain exercisable as an Incentive Stock Option under the Code only to the extent the \$100,000 dollar limitation of Section 422(d) of the Code is not exceeded.

12. Effective Date and Term of Plan. The Plan initially became effective upon the Company's initial public offering on June 13, 2017 (the "Prior Plan"). On May 23, 2019, the Board adopted the amended and restated Plan (this "Amended Plan"), subject to subsequent approval no later than the 2020 annual meeting of the stockholders of the Company. If approved by the Company's stockholders, this Amended Plan shall continue in effect for a term of ten (10) years from the date of the Board's adoption of the Amended Plan unless sooner terminated, and Incentive Stock Options may only be granted for ten (10) years from the Board's adoption of the Amended Plan. If the Company's stockholders do not approve the Amended Plan, (a) the Prior Plan shall continue in effect in accordance with its terms; and (b) any Conditional Awards granted pursuant to Section 4(d) of the Amended Plan shall be automatically cancelled and immediately become null and void.

13. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by Applicable Laws or by Section 4(c) above.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 11 above) shall adversely affect any rights under Awards already granted to a Grantee.

14. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any

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time, with or without cause, including, but not limited to, Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been or has not been terminated for Cause for the purposes of this Plan.

16. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Pension Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

17. [Intentionally omitted.]

18. [Intentionally omitted.]

19. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest of any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

20. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

21. Clawback/Recoupment. Each Award shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Administrator and as in effect from time to time, or (ii) Applicable Laws (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act), whether such policy or Applicable Law becomes effective prior to or following the grant of such Award, and the Company may take such actions as may, in its discretion, be necessary to effectuate any such policy or comply with Applicable Law.

22. Compliance With Section 409A of the Code. To the extent applicable, Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and each Award Agreement are intended to meet the requirements of Section 409A of the Code and will be construed and interpreted in accordance with such intent, except as otherwise determined in the Administrator's sole discretion. Notwithstanding the foregoing, the Company makes no representation with respect to the tax compliance of the Plan or any Award Agreement, including compliance with Section 409A of the Code.

23. Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**ANNUAL MEETING OF ATHENEX, INC.**

**Date:** JUNE 5, 2020  
**Time:** 9:30 AM EDT  
**Virtual Meeting**  
**Access:** Register by 5:00 PM EDT on June 3 at [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX).

Please make your marks like this:  Use dark black pencil or pen only

The Board of Directors Recommends a Vote **FOR** all of the director nominees listed in Proposal One, **FOR** Proposals Two, Four and Five, and **ONE YEAR** on Proposal Three.

**Proposal One** — To elect the Class III nominees named in the Proxy Statement as directors for a three-year term expiring in 2023 and until their successors have been duly elected and qualified

01 Johnson Y.N. Lau, M.D.	For	Withhold	For
02 Jordan Kanfer	<input type="checkbox"/>	<input type="checkbox"/>	For
03 John Tiong Lu Koh	<input type="checkbox"/>	<input type="checkbox"/>	For

**Proposal Two** — To approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed in the accompanying Proxy Statement

For	Against	Abstain	For
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	For

**Proposal Three** — To select, on an advisory basis, the frequency of future advisory votes on the compensation of our named executive officers

One Year	Two Years	Three Years	Abstain	One Year
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	One Year

**Proposal Four** — To approve the Amended and Restated 2017 Omnibus Incentive Plan

For	Against	Abstain	For
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	For

**Proposal Five** — To ratify the appointment of Deloitte & Touche LLP as our Company's independent registered public accounting firm for the fiscal year ending December 31, 2020

For	Against	Abstain	For
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	For

To ATTEND the Annual Meeting of Athenex, Inc., please visit [www.proxydocs.com/ATNX](http://www.proxydocs.com/ATNX) for virtual meeting registration details.

**Authorized Signatures - This section must be completed for your instructions to be executed.**

\_\_\_\_\_  
Please Sign Here                      Please Date Above

\_\_\_\_\_  
Please Sign Here                      Please Date Above

Please sign exactly as your name(s) appears on your stock certificate. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

**Annual Meeting of Athenex, Inc.  
to be held on Friday, June 5, 2020  
for Holders as of April 8, 2020**

This proxy is being solicited on behalf of the Board of Directors

**VOTE BY:**  
**INTERNET**                      **TELEPHONE**

Go To  
[www.proxypush.com/ATNX](http://www.proxypush.com/ATNX)  
• Cast your vote online.  
• View Meeting Documents.

**866-217-7048**  
Call  
• Use any touch-tone telephone.  
• Have your Proxy Card/Voting Instruction Form ready.  
• Follow the simple recorded instructions.

OR

**MAIL**

OR

• Mark, sign and date your Proxy Card/Voting Instruction Form.  
• Detach your Proxy Card/Voting Instruction Form.  
• Return your Proxy Card/Voting Instruction Form in the postage-paid envelope provided.

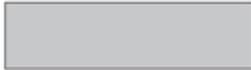
The undersigned hereby appoints Johnson Y.N. Lau, M.D., and Teresa Bair as the true and lawful attorneys of the undersigned, each with full power of substitution and revocation, and authorizes him or her to vote all the shares of capital stock of Athenex, Inc. which the undersigned is entitled to vote at said meeting and any adjournment thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment thereof, conferring authority upon each such true and lawful attorney to vote in his or her discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

**THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED "FOR" THE ELECTION OF THE DIRECTOR NOMINEES LISTED IN PROPOSAL ONE, "FOR" PROPOSALS 2, 4 AND 5, AND "ONE YEAR" ON PROPOSAL THREE. ALL VOTES MUST BE RECEIVED BY 11:59 PM EDT ON JUNE 4, 2020.**

**PROXY TABULATOR FOR  
ATHENEX, INC.  
P.O. BOX 8016  
CARY, NC 27512-9903**

Please separate carefully at the perforation and return just this portion in the envelope provided.

Directors  
Recommend  
↓



**Proxy — Athenex, Inc.  
Annual Meeting of Stockholders  
June 5, 2020, 9:30 AM EDT  
This Proxy is Solicited on Behalf of the Board of Directors**

The undersigned stockholder of Athenex, Inc. acknowledges receipt of the Notice of Annual Meeting of Stockholders and Proxy Statement, each dated April 15, 2020. The undersigned stockholder appoints Johnson Y.N. Lau, M.D., and Teresa Bair (the "Named Proxies") as proxies for the undersigned, each with full power to act without the other and with full power of substitution, to vote the shares of common stock of Athenex, Inc., a Delaware corporation, at the Annual Meeting of Stockholders of Athenex, Inc. to be held via virtual meeting on Friday, June 5, 2020, at 9:30 AM EDT and all postponement or adjournments thereof.

**THIS PROXY IS REVOCABLE. THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES LISTED IN PROPOSAL ONE, "FOR" PROPOSALS 2, 4 AND 5, AND "ONE YEAR" ON PROPOSAL THREE. ALL VOTES MUST BE RECEIVED BY 11:59 PM EDT ON JUNE 4, 2020.**

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE). The Named Proxies cannot vote your shares unless you sign and return this card.

↵ Please separate carefully at the perforation and return just this portion in the envelope provided. ↵