

ONESOURCE SPECIALTY PHARMA LIMITED**Employee Stock Option Scheme, 2021****1 SHORT TITLE, EXTENT AND COMMENCEMENT**

- 1.1 This Scheme may be called the “OneSource Specialty Pharma Limited’ ESOP Scheme 2021
- 1.2 It applies to the Employees of OneSource Specialty Pharma Limited and its Subsidiaries whether in India or outside India, who are in whole time employment with the Company Group.
- 1.3 It shall be deemed to have come into force from the **Effective Date** and shall continue to be in force till all the Options granted under the Scheme are exercised or have been extinguished or unless the Scheme is terminated in accordance with the Scheme.

2 PRINCIPAL OBJECTIVES OF THE SCHEME

The purpose of this Scheme is

to attract, motivate, retain and reward the loyalty of key valued Employees and such other persons as permitted under the Applicable Law,

whose past, present and potential contributions are important to the progressive growth, expansion and success of the Company Group

by offering such Employees an opportunity to participate in the Company Group’s future performance through ownership in the Company.

3 DEFINITIONS

- 3.1 In this Scheme unless the context otherwise requires, the terms listed below shall have the meanings attached to them.

These terms may be identified by the capitalization of the first letter of each principal word thereof.

Where any of the definitions in the Scheme are as stipulated under the Applicable Laws, any amendments to these definitions if made under the Applicable Laws shall automatically be deemed to have amended the definitions under this Scheme so as to give full force and effect to the amendments made under the Applicable Laws:

- (a) **“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendments thereof.
- (b) **“Affiliate”** of a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified (where, for purposes of this definition, the term “control” (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise).
- (c) **“Applicable Law”** means the statutory requirements relating to this Scheme, including but without limitation, the Act, the tax, Foreign Exchange Management Act, 1999, SEBI regulations, securities, corporate or accounting laws, rules and regulations of India and the applicable laws, rules and regulations of any other country or jurisdiction, as such laws, rules, regulations and requirements shall be in place from time to time and shall include any statutory modifications, re-enactment or amendment thereof.
- (d) **“Associate Company”** shall have the same meaning as defined under section 2(6) of the Act.
- (e) **“Board”** means the board of directors of the Company and/ or its Subsidiary, as the case may be.
- (f) **“Change in Control”** means the occurrence of any of the following events:
 - (i) Any consolidation, amalgamation or merger in which the Company is a constituent entity or is a party in which the voting shares and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting securities of such surviving entity that are outstanding immediately after the consummation of such consolidation or merger; or

A sale or other transfer by the holders thereof of outstanding voting shares and/ or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to a scheme or schemes to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert, provided, however, that for purposes of this sub-clause (ii), the acquisition of additional securities by any person or entities who are Affiliates of each other who

are considered to own more than 50% of the total voting power of the securities of the Company prior to the acquisition of the additional securities will not be considered a Change in Control; or

- (ii) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or at least 75% of the assets of the Company and its Subsidiaries taken as a whole, (or, if at least 75% of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company.

For the above purpose, persons will be considered to be acting as a group if they are owners of a body corporate that enters into a merger, consolidation, purchase or acquisition of securities, or similar business transaction with the Company. In addition, if any person(s) is considered to effectively control the Company, the acquisition of additional control of the Company by the same person(s) will not be considered a Change in Control.

- (g) **“Change in Capital Structure”** means a change in the capital structure of the Company as a result of combination or re-classification of Shares, splitting up of the face value of Shares, sub-division of Shares, issue of bonus Shares and any other change in the rights or obligations in respect of Shares.
- (h) **“Company”** means OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Private Limited) CIN: L74140MH2007PLC432497), a limited company incorporated on June 12, 2007 under the provisions of the Companies Act, 1956, having its registered office at 201, Devavrata, Sector 17, Vashi, Navi Mumbai, Sanpada, Thane, Thane, Maharashtra, India, 400703 or any successor thereto.
- (i) **“Company Group”** means the Company and/ or its Subsidiary but does not include an Associate Company.
- (j) **“NRC”** means the Nomination and Remuneration Committee constituted as per the provisions of the Act and SEBI LODR or such other committee created and appointed by the Board and entrusted with the authority to formulate, implement, administer and superintend the Scheme.
- (k) **“Corporate Action”** means one of the following events:
 - a. the merger, amalgamation, de-merger, spin-off, consolidation, sale of business, liquidation, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for:
 - a different class of Securities of the Company; or

- any Securities of any other issuer; or
 - cash; or
 - other property;
- b. The sale, lease or exchange of all or at least 75% of the assets or undertaking of the Company;
- c. The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- d. Acquisition by any company, person, entity or group of a controlling stake in the Company other than the existing shareholders of the Company. For this purpose, "Controlling Stake" shall mean more than 50% of the voting share capital of the Company;
- e. Rights issue, bonus issue and others; or
- f. Any other event, which in the opinion of the NRC has a material impact on the business of the Company and considered as a Corporate Action by the NRC.
- (l) **"Director"** means a member of the Board.
- (m) **"Disability"** shall mean "Permanent Total Disablement" as defined in the Workmen's Compensation Act, 1923.
- (n) **"Effective Date"** for the Scheme is the date of receipt of approval from the shareholder of the Company, which is March 11, 2021
- (o) **"Eligible Employee"** means:

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- a. A permanent employee of the Company Group, whether in India or outside India; or
- b. A Director of the Company Group whether whole time Director or not but excluding Independent Directors;

but does not include:

- i) An employee who is a Promoter or a person belonging to the Promoter Group; or
- ii) A Director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

Provided that an employee shall not cease to be an employee in the case of:

- i) Any leave of absence approved by the Company Group; or
- ii) Transfers between locations of the Company or Subsidiary or between the Company, Subsidiary or any successor;

Where such employee is a Director nominated by an institution as its representative on the Board:

- a) The contract or agreement entered into between the institution nominating its employee as the Director of the Company Group, and the Director so appointed shall, inter alia, specify the following:
 - i. Whether the Grants offered by the Company under the Scheme can be accepted by the said employee in his capacity as Director of the Company Group;
 - ii. That Grant if made to the Director, shall not be renounced in favour of the nominating institution; and
 - iii. The conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company Group.
- b) The Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company or its Subsidiary attended by him after his nomination.

w.e.f December 10, 2024

“Eligible Employee” means employee(s) / directors of the Company, Subsidiaries and Associate Companies to the extent permitted under the SBEBS Regulations from time to time.

- (p) **“Employer”** means the Company Group (which includes Company and any of its Subsidiaries).
- (q) **“Exercise”** means the act of a written application being made by the Optionee to the Company for issue of Shares against Vested Options in pursuance of the Scheme.
- (r) **“Exercise Date”** means the date on which an Optionee Exercises the Vested Options.
- (s) **“Exercise Period”**

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means the period of 30 (thirty) calendar days from the date of intimation by the NRC about the occurrence of the Liquidity Event or such other time period as may be determined by the NRC within which the Optionee should Exercise his right to apply for the issue of Shares against the Vested Option pursuant to the Scheme.

The Vested Options shall not be permitted to be exercised after the expiry of the above-mentioned Exercise Period and all the Vested Options that remained unexercised under the Scheme will lapse unless the Exercise Period is extended by the NRC.

The unexercised Options shall become available for future Grant under the Scheme, unless the Scheme has been terminated.

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Exercise Period: means the period of 12 months from the date of vesting of the options within which the Employee should exercise his/ her right, in not more than two tranches, to apply for Shares against the vested option in pursuance of the Plan.

The options shall not be permitted to be exercised after the expiry of the above-mentioned exercise period.

After the lapse of the said exercise period, all the options vested and remained unexercised under the scheme will lapse.

(t) **“Exercise Price”**¹ means

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Rs. 4,166/- per option, which is at a 50% discount to the fair value of equity shares of Stelis as at December 31, 2020 or such other price as determined by the NRC/ Board at its sole discretion as specified in the Letter of Grant, which shall be payable by the Optionee for exercising the Option granted to him under the Scheme.²

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the price payable by the employee for exercising the Option granted to him/her under the Plan as may be decided by the NRC from time to time and shall not be less than 75% of the Market Price of the shares on the date of grant of option;

(u) **“Fair Market Value”** per Share means the valuation arrived at by the NRC based

¹ As approved by Shareholders in their meeting held on May 27, 2021

² NRC at their meeting held on February 16, 2022 has approved the “Exercise Price” as Rs. 278 per option (50% of the revised subscription price of Rs. 555/-)

on any internationally accepted pricing methodology under the Applicable Laws.

- (v) **“Grant”** means the process of passing a resolution by the NRC to issue Options to Employees under the Scheme.
- (w) **“Grant Date”** means the date as mentioned in the Letter of Grant.
- (x) **“Holding Company”** means a holding company of the Company, whether now or hereafter existing as defined under the Act, as amended from time to time.
- (y) **“Independent Director”** shall have the same meaning as defined under section 2(47) of the Act.
- (z) **“Letter of Grant”** means the letter issued by the Company intimating the Employee of the Options granted to him and evidencing the terms and conditions of the Options granted.
- (aa) **“Liquidity Event”** means happening of any first of the following events:
 - i. Initial public offering of the Shares of the Company for listing on any stock exchange in India or outside India; or
 - ii. Change in Control; or
 - iii. 5 (five) years from the Grant Date of the Options to a particular Employee or such other time period as may be extended by the NRC; or
 - iv. Such other event or period as may be determined by the NRC.
- (bb) **“Long Leave”** shall mean continues period of leave, with or without pay, granted in accordance with the Company’s policy or with a due approval from the appropriate authority in the Company.
- (cc) **“Misconduct”** shall mean a finding by the Company that:
 - (a) the Optionee has breached the terms of his employment with the Company Group, and failed to cure, if curable, the breach within 30 (thirty) calendar days after such notice;
 - (b) there has been a gross negligence or misconduct on the part of the Optionee and the Optionee has failed to cure, if curable, the negligence or misconduct within 30 (thirty) calendar days after such notice;
 - (c) the Optionee has engaged in disloyalty or dishonesty to the Company Group including without limitation, fraud, embezzlement, theft, commission of a felony, or dishonesty, undisciplined conduct or breach of integrity in the course of his employment or service or association with the Company Group; or

- (d) the Optionee has engaged in behavior detrimental to the interests of the Company Group, including but not limited to gross neglect or misconduct in the carrying out of the Optionee's duties and obligations.
- (dd) **"Option"** means the option given to an Employee pursuant to the Scheme which gives him a right but not an obligation to subscribe at a future date, the Shares offered by the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting and occurrence of the Liquidity Event.
- (ee) **"Optionee"** means a past or present Employee or such other person permitted under the Applicable Law and specified in the Scheme having a right but not an obligation to Exercise an Option pursuant to this Scheme.
- (ff) **"Promoter"** shall have the same meaning assigned to it under the SEBI ICDR..
- (gg) **"Promoter Group"** shall have the same meaning assigned to it under the SEBI ICDR.
- (hh) **"Relative"** shall have the same meaning as defined under section 2(77) of the Act.
- (ii) **"Retirement"** means the termination of employment or service of an Employee on or after the Employee's attainment of age 58 or such other extended period.
- (jj) **"Scheme"** means this OneSource Specialty Pharma Limited – Employee Stock Option Scheme 2021 under which the Company Grants an Option to the Employees, as amended from time to time.
- (kk) **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- (ll) **"SEBI ESOP Regulations" or "Regulations or 'SEBI SBEBS Regulations" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time**
- (mm) **"SEBI ICDR"** means Securities and Exchange Board of India (Issue of Capital and Disclosure **Requirements**) **Regulations**, 2018, as amended from time to time.
- (nn) **"SEBI LODR"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time.
- (oo) **"Securities"** shall have the same meaning ascribed to it under section 2(h) of the Securities Contracts (Regulation) Act, 1956.
- (pp) **"Share"** means, the equity share of the Company with a nominal par value of Rs. 1/- each, reserved for the issuance under the Scheme, as adjusted pursuant to

Clause 14 hereof, and any successor security.

- (qq) **“Subsidiary”** means a subsidiary of the Company, whether now or hereafter existing, as defined under section 2(87) of the Act.
- (rr) **“Tax”** means tax in relation to any income, fringe benefit, franchise, capital stock, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, stamp, premium, severance, real property, personal property, employment, payroll, social security, social insurance, contributions, employees benefits, disability, unemployment, workers' compensation, withholding, estimated or other similar tax, duty, fee, assessment or other governmental charge or deficiencies thereof (including all interest and penalties thereon and additions thereto) in connection with the Grant, Vesting, settlement or Exercise of an Option.
- (ss) **“Unvested Option”** means an Option in respect of which the relevant Vesting Period has not yet completed and as such, the Optionee has not become eligible to Exercise the Option on occurrence of the Liquidity Event.
- (tt) **“Vested Option”** means an Option that is eligible for Exercise by the Optionee. on occurrence of the Liquidity Event.
- (uu) **“Vesting”** means the process by which the Optionee becomes entitled to receive the benefit of Grant made to him under the Scheme.
- (vv) **“Vesting Date”** means the date on which the Option granted to the Optionee in pursuance of the Scheme stands vested. however, such Options shall be exercisable only on the occurrence of the Liquidity event.
- (ww) **“Vesting Period”** means the period which shall be no less than one year between the Grant Date and the date of Vesting of the Option granted to the Employee as per the table given below.

Year	% of Options to be vested ^{3 4}
1	20
2	20
3	30
4	30

³ Vesting Schedule has been revised vide NRC approval dated February 16, 2022 to 10%, 15%, 25% and 50% at the end of year 1, year 2, year 3 and year 4 respectively.

⁴ NRC, Board and Shareholders at their respective meeting held on December 10, 2024 have approved the revision of the “Vesting Period” to 20%, 30% and 50% at the end of year 1, year 2 and year 3 respectively.

The NRC shall have the authority to modify the Vesting Period of an Option. Provided that in case where Options are granted by a Company under the Scheme in lieu of Options held by a person under an employee stock option scheme in another company which has merged or amalgamated with that Company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum Vesting Period of one year. For the purpose of computation of the Vesting Period, the period of service for which Optionee was not paid salary/wages other than for reasons approved by the NRC would always stand excluded.

3.2 In this Scheme:

- (a) words denoting any particular gender shall be read to mean any other gender as the context requires;
- (b) words denoting the singular shall include the plural and vice versa;
- (c) references to Clauses and Appendices shall be construed as references to these clauses of the Scheme and the appendices to these Clauses; and
- (d) any reference to a time of a day in the Scheme is a reference to India standard time.

4 SHARES SUBJECT TO THE SCHEME

4.1 Number of Shares available

Subject to the provisions of Clause 14 of the Scheme, the maximum aggregate number of the Shares which may be subject to Option and granted under the Scheme are as under:

Nominal value per Share	The maximum number of Shares subject to Option under the Scheme are
Re. 1/- (Rupee One only)	Not exceeding 5% of the diluted issued equity of the Company

4.2. The maximum number of Options that may be granted to an Employee shall not exceed 10% of the ESOP Pool as defined in Clause 4.1 above.

- 4.3 Each Option granted to the Employee under this Scheme shall entitle the Employee to subscribe 1 (one) Equity Share in the Company, upon payment of Exercise Price as set out in this Scheme.

- 4.3 The Shares, which are subject to Option, shall be authorized but unissued.
- 4.4 If an Option expires or becomes un-exercisable, lapses, expires, terminated or are forfeited and/ or cancelled for any reason whatsoever without having been exercised in full, the unsubscribed Shares, which were subject thereto, shall become available for future Grant under the Scheme, unless the Scheme has terminated prior to such Grant.

Shares that have actually been issued under the Scheme under any Option will in no event be returned to the Scheme and will not become available for future distribution under the Scheme

- 4.5 Where Shares are issued consequent upon Exercise of an Option under the Scheme, the maximum number of Shares which are subject to Option referred to in Clause 4.1 above stands reduced to the extent of such Shares issued.
- 4.6 There shall be no restrictions on the eligibility of any Optionee to participate in any other share option or share incentive scheme implemented by the Company or Holding Company or any of its Subsidiaries.
- 4.7 During any one year, no Eligible Employee shall be granted Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of separate special resolution.

5 ADMINISTRATION OF THE SCHEME

5.1 NRC Authority

The Scheme shall be administered and superintended by the NRC appointed by the Board which shall meet on a regular basis. The Board shall delegate full administrative authority over the Scheme and Options to the NRC.

5.2 Powers of the NRC

Subject to the provisions of the Scheme, and subject to the approval of any relevant authorities, the NRC shall have the authority in its discretion:

- a) To select and approve eligible Employees to whom Options may from time to time be granted hereunder;
- b) To determine the number of Options to be granted to an Employee under this Scheme;
- c) To determine, modify, amend, rescind or terminate the form, terms and conditions of the Scheme including but not limited to Vesting Date, Vesting Period, Liquidity Event, Exercise Period and Exercise Price, method of payment of Exercise Price, Corporate Action subject to the Applicable Laws;



- d) To formulate the conditions under which vesting of Options may be accelerated;
- e) To determine the number of Shares and / or the Exercise Price pursuant to issue of bonus shares, preferential allotments (if any) and rights issues/dilution;
- f) To determine the Fair Market Value in good faith and interpret the applicable provisions of this Scheme and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;
- g) To change the Vesting Period of Options under the Scheme prospectively in the event that the Employee's service status changes between full and part time status in accordance with Company's policies relating to work schedules and Vesting of Options;
- h) To formulate the conditions under which Vested Options and Unvested Options may lapse in case of termination of employment for Misconduct;
- i) To specify the time period within which the Optionee shall Exercise the Vested Options in the event of termination or resignation;
- j) To allow an Optionee to defer the receipt of the delivery of Shares to such Optionee under an Option pursuant to such procedures as the NRC may determine;
- k) To grant waivers of any conditions of this Scheme or any Option;
- l) To approve forms of agreement for use under the Scheme;
- m) To authorize any person to execute on behalf of the Company any instrument required to effect the Grant of an Option previously granted by the NRC;
- n) To correct any defect, supply any omission, or reconcile any inconsistency in this Scheme or any other documents in relation to this Scheme;
- o) To adopt rules and/or procedures (including the adoption of any addendum to this Scheme) relating to the operation and administration of the Scheme to accommodate requirements of any Applicable Laws in India or outside of India;
- p) To construe and interpret the terms of the Scheme and Options granted pursuant to the Scheme;
- q) To delegate any of the foregoing to a sub-committee consisting of one or more executive officers pursuant to a specific delegation as may otherwise be permitted under the Applicable Laws; and

- r) To undertake such other activity or decision as specifically mentioned in this Scheme.

All decisions, determinations and interpretations of the NRC shall be final and binding on all concerned. Any determination made by the NRC with respect to any Option will be made in its sole discretion by the NRC subject to the provisions of the Scheme or the Applicable Laws, at any time.

5.3 Appraisal of Employees

- a) The NRC shall, based on the various criteria for selection of the Employees (which criteria shall be decided from time to time by the NRC for assessing the contribution of the Employees) decide on the Employees who qualify under the Scheme and the number of Options of the Company that may be issued to them.
- b) The appraisal process shall include evaluation of an Employee based on one or more criteria for determining eligibility of the Employees to be granted Options, including but not limited to the following:
 - i. Work related or academic performance of the Employee
 - ii. Length of service
 - iii. Potential of the Employee to contribute to the Company Group's performance
 - iv. Position held
 - v. The extent of contribution made by the Employee towards business results, achievement of medium to long term performance plans, processes, and customer satisfaction or employee satisfaction.
 - vi. High market value / difficulty in replacement.
 - vii. High risk of losing the Employee to competition.

6 ELIGIBILITY FOR GRANT OF OPTIONS

- 6.1 An Employee shall be eligible to participate in Scheme as determined by the NRC.
- 6.2 The NRC may, on such dates as it shall determine, Grant to such Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide.
- 6.3 The NRC shall make an offer to Grant the Option to the Employee in form of the Letter of Grant as set out in Appendix I which will contain such provisions, terms and conditions (which need not be the same for each Employee) as the NRC may from time to time approve, and which will comply with and be subject to the terms and conditions of this Scheme. The Letter of Grant and a copy of this Scheme will be delivered to the Employee within a reasonable time after the granting of the Option. Notwithstanding anything to the contrary herein and for the avoidance of doubt, in the event of any variation in the terms and conditions as mentioned in the Letter of Grant from those set out in this Scheme, the provisions of the Letter

of Grant shall prevail.

- 6.4 In accepting this Option, the Employee acknowledges, understands and agrees that:
- (a) the Scheme is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time subject to the Applicable Laws;
 - (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
 - (c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company and the NRC;
 - (d) the Option grant and Employee's participation in the Scheme shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or with any other entity;
 - (e) the Employee is voluntarily participating in the Scheme and agrees to comply with all terms and conditions of the Scheme;
 - (f) the Option and any Shares acquired under the Scheme, and the income and value of the same, are not intended to replace any pension rights or compensation;
 - (g) the Option and any Shares acquired under the Scheme, and the income and value of the same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
 - (h) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
 - (i) if an Employee exercises the Option and subscribes Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
 - (j) unless otherwise provided in the Scheme or determined by the NRC in its discretion, the Option and the benefits evidenced by this Scheme do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and
 - (k) neither the Company, nor Holding Company or any of its Subsidiary shall be liable for any foreign exchange rate fluctuation between Employee's local

currency and the Indian Rupee that may affect the value of the Option or the subsequent sale of any Shares acquired upon Exercise of the Option by the Employee.

- 6.5 The Employee to whom an Option is granted shall communicate his acceptance of the Option within 30 (thirty) calendar days from the date of issue of Letter of Grant by completing, signing and returning to the NRC the acceptance form as set out in Exhibit A to Appendix I ("Acceptance Form") (which need not be the same for each Employee), subject to such modification from time to time as the NRC may deem appropriate. Failure by the Employee to comply with the requirements of the Acceptance Form may invalidate the Employee's eligibility for the Grant of the Option in accordance with the Scheme.
- Unless otherwise approved by the NRC, any Employee who fails to return the Acceptance Form within 30 (thirty) calendar days from the date of issue of Letter of Grant shall be deemed to have rejected the offer in accordance with the Scheme and such offer shall accordingly lapse and any Acceptance Form received after such date shall not be valid.

7 RIGHTS OF AN OPTIONEE

- 7.1 Shares issued upon Exercise of an Option shall be issued in the name of the Optionee.
- 7.2 The Optionee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted to him, till Shares are issued upon Exercise of Option.
- 7.3 The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

8 TERM OF THE SCHEME

The Scheme shall become effective on the Effective Date. It shall continue in effect till all the Options granted under the Scheme are exercised or have been extinguished or unless the Scheme is terminated under Clause 17 of the Scheme.

9 EXERCISE PRICE AND CONSIDERATION

- 9.1 The consideration payable by an Optionee for exercising an Option would be the Exercise Price.
- 9.2 The consideration to be paid for the Shares to be issued upon Exercise of an Option shall be determined by the NRC at the time of Grant. The Exercise Price shall be payable:
- (i) by cheque, demand draft, RTGS or such other mode of electronic fund transfer



to the bank account designated by the Company; or

(ii) by deducting such amount from his salary due and payable; or

(iii) in such other form as determined by the NRC.

9.3 The Scheme does not provide for cashless Exercise of Options.

The application shall be in such form as may be prescribed in this regard and the NRC may determine the procedure for the Exercise from time to time.

10 VESTING PERIOD OF THE OPTIONS

10.1 The Vesting Period of an Option shall be a minimum of one year from the Grant Date.

10.2 Subject to the above Clause, the NRC shall have the sole discretion to decide the Vesting Period in respect of any Optionee.

10.3 Unless otherwise specified, all Unvested Options granted shall vest over a period of four years at the rate of 20%, 20%, 30% and 30% respectively, with the first Vesting Date being one year from the Grant Date.

10.4 The NRC in its absolute discretion may, for any Optionee or class of Optionees, permit the Options to be Exercised within such time and as per such terms and conditions as it may determine.

11 METHODOLOGY FOR EXERCISING OPTIONS

11.1 Exercise

Each Vested Option shall be exercisable within the Exercise Period as stated in this Scheme in one or more tranches

11.2 Procedure for Exercise of Options

a) An Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the NRC and set forth in the Letter of Grant.

b) The Option shall be deemed exercised when the Company receives:

i. Notice of Exercise by the Optionee (in accordance with the Letter of Grant) by electronic or any other mode;

ii. Full payment for the Shares in respect of the exercised Options (in accordance with the Letter of Grant); and

- iii. a certified copy of the relevant grant of probate or letters of administration, as the case may be, where an Option is exercised by the nominee or legal representatives or legal heir of a deceased Optionee.
- c) Options will become exercisable in part or whole but not for fraction of a Share.
- d) In case of specified circumstances such as death, Disability, Long Leave, etc., the unexercised portion of the Option will continue to be available to the Optionee/ his nominee/ legal heir, for Exercise, as provided for in the Scheme;
- e) The unexercised portion of the Option would lapse on failure to Exercise the same within the Exercise Period.
- f) Full payment may consist of any consideration and method of payment authorized by the NRC and permitted by the Scheme.
- g) In case the Optionee is on Long Leave as on the Exercise Date, the Optionee may Exercise the Options:
 - (i) through a duly constituted attorney of the Optionee; or
 - (ii) within a period of 30 calendar days; or
 - (iii) such other extended date as the NRC may decide from the date on which the Optionee joins back the office after such Long Leave.

Failing the above, the Vested Options shall lapse.

11.3 Exercise of options in the case of separation of an Optionee

- a) **Death / Disability:** In the event of cessation of employment by death or Permanent Incapacity of an Optionee whilst in employment, all Options granted to such Optionee till the date of death or Permanent Incapacity, shall Vest in him /her / Nominee, as applicable, on that day. All Options which are Vested Options on the date of death or Permanent Incapacitation shall be Exercisable by the Optionee / Nominee, as the case may be, before the expiry of one year from the date of the Death or termination of employment due to Permanent Incapacity of such Optionee, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- b) **Retirement:** In the event of separation from employment due to retirement or superannuation, Options granted to an Employee would continue to Vest in accordance with the respective Vesting schedules even after retirement or superannuation in accordance with this Scheme, Company's policies and the applicable law.

- c) **Resignation:** In the event of resignation of an Optionee from the Company Group all Options, which are not vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Options which have already been vested as on that date shall be exercisable by the Optionee before the expiry of 30 days from the date of tendering resignation or before the last day of employment, whichever is later, failing which all the Options that are yet to be exercised shall expire
- d) **Misconduct:** In the event of termination of employment of an Optionee by the Company Group for Misconduct, all Options including those, which are vested but not exercised at the time of termination of employment, shall expire and stand terminated with effect from the date of such termination.
- e) **Abandonment of Service:** In the event of abandonment of service by an Optionee without the Company Group's consent, all Options including those, which are vested but were not exercised at the time of abandonment of service shall stand terminated with immediate effect. The date of abandonment of service by an Optionee shall be decided by the Company Group at its sole discretion which decision shall be binding on all concerned.
- f) **Transfer/ Deputation:** In the event that an Optionee is transferred or deputed to a Subsidiary or Associate prior to vesting or Exercise, the vesting and Exercise shall continue in case of such transferred or deputed Optionee even after the transfer or deputation.
- g) **Any Other Reasons:** If an Optionee's employment with the Company Group ends for any reason not mentioned above in this Clause (including without limitation, termination for Misconduct), all rights of the Optionee in options to the extent that it has not been exercised, shall terminate on the date of Optionee's employment ends.

12 NON-TRANSFERABILITY OF THE OPTIONS AND SHARES

- 12.1 The Options granted under this Scheme are not eligible to be sold, pledged, assigned, hypothecated, transferred, disposed of or otherwise alienated in any manner other than by will or by the laws of descent or distribution and may be exercised by the Optionee during the life time of the Optionee.
- 12.2 Except otherwise stated in this Scheme, no person other than the Employee to whom the Option is granted shall be entitled to the benefit arising out of such Option.
- 12.3 Notwithstanding anything to the contrary contained herein and unless the Shares are listed on any stock exchange in India or outside India, the Shares issued pursuant to this Scheme shall not be transferred, sold, pledged, assigned or

otherwise encumbered or disposed, unless previously approved in writing by the NRC.

13 BUY-BACK OF SHARES

BUYBACK

The NRC has the powers to specify the procedure and other terms and conditions for buy-back of Options Granted, if the Company decides to undertake the buy-back of the Options Granted in compliance with Applicable Laws.

14 ADJUSTMENTS FOR CORPORATE ACTIONS BY THE COMPANY

- 14.1 In the event of the occurrence of any Corporate Actions, adjustments to the entitlement shall be made as specified in Clause 14.2 below.

In the case of Corporate Actions not specified in this Clause or under any other Clause of this Scheme, the NRC shall formulate appropriate procedures for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price of the granted Options.

In this regard, the following shall, inter alia, be taken into consideration by the NRC:

- i. The number and price of Options shall be adjusted in a manner such that total value of the Options to the Optionee remains the same after the Corporate Action; and
 - ii. The Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Optionees.
- 14.2 Adjustments for specified Corporate Actions shall be done in the manner provided below:

a. Changes in Capitalization

Subject to any required action by the shareholders of the Company, the number of Equity Shares covered by each outstanding Option, and the number of Equity Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per Equity Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Equity Shares resulting from a stock split, reverse stock split, stock dividend, bonus issue, combination or reclassification of the Equity Shares, or any other increase or decrease in the number of issued Equity Shares effected without receipt of consideration by the Company.

In case of share split or consolidation, if the revised face value of the Equity Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of shares available for being issued under Scheme as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of shares X face value per share) prior to such share split or consolidation remains unchanged after such split or consolidation.

b. Dissolution or Liquidation

In the event of the proposed dissolution or liquidation of the Company, the NRC shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction.

Notwithstanding anything else contained in this Scheme, the NRC in its discretion may provide for an Optionee the right to Exercise his Option until fifteen (15) calendar days prior to such transaction as to all of the Options covered thereby, including

Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed dissolution or liquidation.

15 TIME FOR GRANTING OPTIONS

The Options may be granted by the NRC at any time it considers necessary and the Grant Date shall be the date specified in the Letter of Grant.

16 TERMS AND CONDITIONS OF THE SHARES

All Shares allotted on Exercise of Options shall rank pari-passu with all other Shares of the Company for the time being in issue.

17 AMENDMENT AND TERMINATION OF THE SCHEME

- 17.1 The NRC may propose the amendment or termination of the Scheme to the Board. The Board may, at any time amend, alter, suspend or terminate the Scheme provided that such variation is not prejudicial to the interest of the Optionees.
- 17.2 No amendment, alteration, suspension or termination of the Scheme shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the NRC, which agreement must be in writing and signed by the Optionee and the Company.
- 17.3 Termination of the Scheme shall not affect the NRC's ability to exercise the powers granted to it hereunder with respect to Options granted under the Scheme prior to the date of such termination.

18 CONDITION FOR ISSUANCE OF THE SHARES

18.1 Legal Compliance

Shares shall not be issued pursuant to the Exercise of an Option unless the Exercise of such Option and the issuance and delivery of such Shares shall comply with the Applicable Laws. The Company shall not be obligated, and shall have no liability for failure to issue or deliver any Shares under the Scheme unless such issuance and delivery shall wholly comply with all Applicable Laws.

18.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed 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.

18.3 Incidence of Tax on Options and the Shares

- a) In the event of any Tax liability arising on account of the allotment of Shares to the Optionee, the liability shall be that of the Optionee alone and any such liability arising on the Company Group shall be recoverable from the Optionee concerned.
- b) All Tax liabilities arising on disposal of the Shares after Exercise would require to be managed by the Optionee.
- c) In the event of any Tax liability arising out on account of the Scheme, the Company shall have the right to cause the Shares held by the Optionee under the Scheme, to be sold or otherwise alienated to meet the liability, on behalf of the Optionee.
- d) Notwithstanding anything contained in the Scheme, the Company shall have the right to deduct and/or recover, relating to or in connection with all Grants any and all Taxes, if any, required by the Applicable Laws to be deducted at source or otherwise and shall also recover any Taxes, whether directly or indirectly payable by the Company Group at the time of the Grant or Vesting or Exercise or allotment of the Options or the Shares or at any different point of time.
- e) Employees shall obtain any necessary advice from appropriate independent professional tax, legal, and financial advisors in relation to the taxation and social contributions or taxation, financial or legal implications of the grant, exercise, assignment, release, cancellation or any other disposal of this Option or Shares, as the case may be, pursuant to the Scheme. The Company shall not

make any representation regarding applicable taxation implications. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Employee's participation in the Scheme, or the Employee's subscription or sale of the Share.

18.4 Compliance with Company policies

The Optionees are required to always adhere to the Scheme, the Applicable Laws, articles of association of the Company, any agreements executed by the Company that inter alia govern the transfer of any Shares (or any interest in such Shares) or other Securities issued by it pursuant to rights exercised by the holders of any such Shares or other securities and Company policies while dealing with the Shares or exercising any rights thereunder. In particular, each Employee and the NRC shall ensure that there is no violation of the provisions of the Company's articles of association, its policies, codes or other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the share transfers.

19 SURRENDER OF OPTIONS

- 19.1 An Optionee may surrender his Vested Options / Unvested Options at any time during his employment with the Company Group.
- 19.2 Any Optionee willing to surrender his Options shall communicate the same to the Company. Thereafter, the surrendered Options shall expire with effect from the date of surrender of Options and become available for future Grant under the Scheme (unless the Scheme has been terminated).

20 RESERVATION OF SHARES

The Company during the term of this Scheme, shall at all times reserve and keep available such number of Shares as part of its authorized share capital as shall be sufficient to satisfy the requirements of the Scheme.

21 STATUTORY APPROVALS

The Scheme shall be subject to approval by the shareholders of the Company or any other governmental authority in line with Applicable Laws.

22 DISCLOSURES

In addition to the information that the Company is required to disclose, in relation to employee benefits under the Act, the Board shall also disclose the details of the Scheme, as specified under other Applicable Laws.

23 ACCOUNTING POLICIES

Consequent to the implementation of the Scheme, the Company shall follow the requirements of Indian Accounting Standards and applicable guidance note(s) as

may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

24 MISCELLANEOUS

24.1 No Right to any Option

Neither the adoption of the Scheme nor any action of the Board or NRC shall be deemed to give an Employee any right to be granted any Option or to acquire Shares or to any other rights, nor shall it create any right in any Employee to claim any Option as a matter of right.

24.2 No Employment Rights Conferred

Nothing contained herein or in any Option granted to an Employee shall:

- a) give or confer upon such Employee any right for continuation of any employment with his Employer; or
- b) interfere in any way with the right of the Employer to terminate the employment of such Employee at any time and for any reason whatsoever.

24.3 No Restriction of Corporate Action

The existence of the Scheme and the Grants made hereunder shall not in any way effect the right or the power of the Board or the shareholders of the Company to make or authorize any Change in Capital Structure, including any issue of Shares, debt or other Securities having any priority or preference with respect to the Shares or the rights thereof.

Nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action which it deems appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme.

24.4 Confidentiality

The Optionee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Scheme. Any violation may result in cancellation of the offer without prejudice to the other action, which may be taken in this regard.

24.5 Disclaimer of liability

Notwithstanding any provisions herein and subject to Applicable Laws, the Company, the Board or the NRC shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in

any event including but not limited to the Company's delay in allotting and issuing the Shares under the Scheme, any suspension or termination of any rights under any Option by the Company or the Board or the NRC or otherwise.

24.6 New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any other new plan for granting options and /or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme or any Grant made under the Scheme. No Employee/ Optionee or other person shall have any claim against the Company as a result of such action.

24.7 Issues

In respect of any issues arising in respect of the Scheme, the decision of the NRC shall be final and binding on all concerned.

24.8 Insider trading restrictions/ market abuse laws

Employee may, depending on his country, be subject to insider trading restrictions and/or market abuse laws, which may affect his ability to subscribe or sell Shares or rights to Shares under the Scheme during such times as Employee is considered to have "inside information" regarding the Company (as defined by applicable laws in his country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. It shall be the Employee responsibility to comply with any applicable restrictions, and Employee is advised to speak to his personal advisor on this matter.

24.9 Scheme severable

This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

In the event that any term, condition or provision of this Scheme being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme.

24.10 Notices and Correspondence

Any notice required to be given by an Employee/ Optionee to the Company or any correspondence to be made between an Employee/ Optionee and the Company may be given or made to the Company at the registered office or

corporate office of the Company as may be notified by the Company in writing.

24.11 Arbitration

All disputes arising out of or in connection with the Scheme or the Grant shall be referred to for arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall include any statutory modifications, re-enactment or amendments thereof. The place of arbitration shall be Bangalore, India.

24.12 Governing Law

This Scheme and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws in India.

The Employee/ Optionee agrees and acknowledges that he received the salient features of the Scheme and that the Grants are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of any Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

This Scheme shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Scheme or any right which he may have to participate in it and nothing in this Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.

This Scheme shall not confer on any Employee any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
