



## **Poly Medicure Limited**

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### **Employee Stock Option Scheme, 2020**

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# **Poly Medicure Limited**

## **Employee Stock Option Scheme - 2020**

This Employee Stock Option Scheme has been formulated by the Remuneration Committee (*as defined hereinafter*) and approved by the Board of Directors of (*as defined hereinafter*) of Poly Medicure Limited ("**Company**") in its meeting held on 5<sup>th</sup> June, 2020 and by the shareholders of the Company in its Annual General Meeting on 29<sup>th</sup> September, 2020, in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI Regulations**").

### **1 SHORT TITLE, APPLICABILITY AND TERM**

- 1.1 This Employee Stock Option Scheme may be called the "POLY MEDICURE ESOS - 2020" which expression shall include any alterations, amendments or modifications hereto from time to time.
- 1.2 This Plan shall be effective from the date when the shareholders' approval is obtained and adopted ("**Effective Date**") and shall continue to be in force until (i) its termination by the Board; or (ii) the date on which all the Options available for issuance under this Plan have been issued and Exercised or have lapsed, whichever is earlier.
- 1.3 No Grants shall be made under the Plan after Closing Date. Any Stock Options which are not granted by the Closing Date, shall automatically lapse. It is clarified that the Plan shall remain in effect after the Closing Date, until all the Options granted under this Plan have been exercised or have lapsed, whichever is earlier.
- 1.4 **POLY MEDICURE ESOS - 2020 applies only to Eligible Employees (*as defined herein*).**

### **2 OBJECTIVES**

Poly Medicure ESOS - 2020 is being offered to the Eligible Employees with the objective of achieving sustained growth of the Company and creation of shareholder value by aligning the interests of the Eligible Employees with the long-term interests of the Company.

### **3 DEFINITIONS AND INTERPRETATIONS**

- 3.1 In this Plan, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:
  - 3.1.1 *Act* means the Companies Act, 2013, the Rules made thereunder and Schedules thereto, for the time being in force and as amended from time to time.
  - 3.1.2 *Applicable Laws* means every law, rule and regulation of India to the extent applicable to the Company and to this Plan as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the 'conflicts of laws' provisions thereof.
  - 3.1.3 *Associate Company* means a company as defined under Section 2(6) of the Act.
  - 3.1.4 *Award Agreement / Agreement* means a written agreement forming part of the Grant Letter, entered into between the Company and an Option Holder with respect to Grant of Option to such Option Holder providing the terms and conditions of the Grant specific to the Option Holder along with details of the Vesting criteria, Exercise Price and such other details, terms and conditions as may be decided by the Remuneration Committee.
  - 3.1.5 *Board or Board of Directors* means the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of

this Plan and includes any committee constituted by the Board of Directors.

- 3.1.6 ***Change in Capital Structure*** means a change in the capital structure of the Company as a result of reclassification of Shares, splitting up of the face value of Shares, sub-division of Shares, consolidation of shares, conversion of Shares into other Shares or securities, and any other reorganization of the capital structure of the Company.
- 3.1.7 ***Change in Control Value*** means the value at which the Shares of the Company are transferred in the case of a Strategic Sale.
- 3.1.8 ***Closing Date*** shall mean 10 (Ten) years from the Effective Date.
- 2.1.1 **Cause** means, as determined by the Remuneration Committee and shall include:
- (a) breach of any of the terms of this Plan, the employment agreement or such other document governing the employment of the Option Holder which breach is either (i) incapable of remedy; or (ii) if capable of remedy, has not been remedied by the Option Holder within a period of 15 (fifteen) days after receipt of notice of such breach from the Company or where the Option Holder refuses or neglects to comply with any reasonable and lawful directions of the Company; or
  - (b) commits any act of gross misconduct or repeats or continues (after warning) any other fraudulent or material or serious breach of his obligations under this Plan; or
  - (c) is found guilty of moral turpitude, fraud, misrepresentation, dishonesty, gross negligence, or such similar activities; or
  - (d) is found guilty of any conduct which in the opinion of the Board brings him/her and the Company into serious disrepute or detrimental to the interest of the Company any of its affiliates, monetarily or otherwise; or
  - (e) submitted false and/or forged documents of qualifications, experience, certificates, etc. or made false representation and/or suppressed any material or relevant information required to be disclosed by him/her; or
  - (f) fails or ceases to meet the requirements of any regulatory body whose consent is required to enable him/her to undertake all or any of his duties under this Plan or is guilty of a serious breach of the rules and regulations of such regulatory body or any of the policies of the Company; or
  - (g) is in serious breach of the Company policies issued by the Company from time to time regarding anti-bribery and/or its electronic communication systems; or
  - (h) make wrongful disclosure of any secret or confidential information about the Company to any third party
  - (i) is convicted by a court of competent jurisdiction of a criminal offence or indicted of any criminal offence, which in the reasonable opinion of the Board, will detrimentally affect the Company; or
  - (j) has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force or the Option Holder is liable to be dealt with in any way under the Applicable Laws relating to mental health; or

- (k) has become an undischarged insolvent or has applied to be adjudicated as an insolvent and the application is pending; or
  - (l) continued absence for a period of 15 (Fifteen) Business Days or more, without formal request or permission from the management of the Company for the same, the Option Holder will be deemed to have abandoned, left and relinquished his service with the Company.
- 3.1.9 **Company** means “**POLY MEDICURE LIMITED**”, incorporated in India, having its registered office at 232-B, 3<sup>RD</sup> FLOOR, OKHLA INDUSTRIAL ESTATE, PHASE-III, NEW DELHI - 110020 and shall include its successors and assigns.
- 3.1.10 ‘**Corporate Action**’ means one of the following actions:
- (a) Issue of bonus or rights Shares
  - (b) The merger, de-merger, spin-off, sub-division, consolidation, amalgamation, sale of business (except to a subsidiary) or other reorganization of the Company in which all the Shares are converted into or exchanged for:
    - (i) a different class of securities of the Company; or
    - (ii) any securities of any other issuer; or
    - (iii) cash; or
    - (iv) other property
  - (c) The sale, lease or exchange of all or substantially whole of the assets/undertaking of the Company to any other Company or entity (except to a subsidiary)
  - (d) The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
- 3.1.11 **Director(s)** means a member of the Board of the Company.
- 3.1.12 **Disability** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Remuneration Committee based on the medical certificate of a medical expert as identified by the Remuneration Committee.
- 3.1.13 **Eligible Employee** means an Employee on the rolls of the Company and who is selected by the Remuneration Committee for the purpose of any Grant under this Plan on the basis of eligibility criteria as may be determined by the Remuneration Committee for Granting Options to the Employees.
- 3.1.14 **Employee** means permanent employee of the Company, including  
**Also** excludes:
- (i) an employee as designated by the company who is exclusively working in India or outside India; or
  - (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
  - (iii) an employee as defined in Sub-clause (i) or (ii) of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include –
    - (a) an employee who is a promoter or a person belonging to the promoter group; or

- (b) a director who, either himself or through his relative or through any-body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;
- 3.1.15 **Exercise** in relation to an Option means the making an application by an Option Holder to the Company to purchase or subscribe to the Shares underlying the Options Vested in him/her, in pursuance of this Plan, in accordance with the procedure laid down by the Company for exercise of Options.
- 3.1.16 **Exercise Application** means the application form as may be prescribed by the Remuneration Committee, in which the Option Holder has to apply to the Company along with the payment of an amount in respect of the Exercise Price, for Exercising the Options Vested in him/her.
- 3.1.17 **Exercise Period** means a period of 4 (four) years after Vesting Date within which an Option Holder should Exercise his/her right to apply for Shares against his/her Vested Options in accordance with the Grant Letter/Award Agreement and this Plan or any other period as may be deemed fit by the Remuneration Committee. The Exercise Period shall be mentioned in the Grant Letter/Award Agreement.
- 3.1.18 **Exercise Price** means the price payable by an Option Holder pursuant to the Exercise of the Options Granted under the Plan for the allotment of Shares.
- 3.1.19 **Forfeiture** means the cancellation of the Options granted and therefore the cessation of right to Exercise the Options granted to an Option Holder under this Plan.
- 3.1.20 **Fair value of an option** means the fair value calculated in accordance with accounting policies specified in the Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014.
- 3.1.21 **Fraudulent and Unfair Trade Practices Regulations** means the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time.
- 3.1.22 **Governmental Authority** means any entity, authority or body exercising executive, legislative, judicial, regulatory, statutory or administrative functions of or pertaining to the government, including any government authority, agency, department, board, commission or instrumentality or any political subdivision thereof, or of any other jurisdiction relevant to the Company or the transactions contemplated under this Plan any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange under any Applicable Laws.
- 3.1.23 **Grant** means issue of Options to the Eligible Employees pursuant to this Plan.
- 3.1.24 **Grant Date** means the date on which the Remuneration Committee approves the Grant to the Eligible Employees in pursuance of this Plan.
- 3.1.25 **Grant Letter** means the letter issued by the Company accompanied by an Award Agreement intimating the Eligible Employee of the Options Granted to him/her and providing the terms and conditions of the Grant specific to the Eligible Employee along with details of the Vesting criteria, Exercise Price and such other details as may be decided by the Remuneration Committee.
- "Letter of grant"** means the letter issued by the Company intimating the employee of the options granted to him/her.
- 3.1.26 **"Lock-in period"** means the period during which employees shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her shares or dispose of any interest in or over or right attaching to any of his/ her shares.

- 3.1.27 **“market price”** means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
- 3.1.28 **Holding Company** shall have the same meaning assigned to it in Section 2(46) of the Act including the amendments or alterations made thereto from time to time.
- 3.1.29 **Independent Director** shall have the same meaning assigned to it in Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the amendments or alterations made thereto from time to time.
- 3.1.30 **Insider Trading Regulations** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.
- 3.1.31 **Nominee** means any person proposed to be appointed by the Option Holder in accordance with Clause 7.3 of the Plan pursuant to submission of such form as may be specified by the Remuneration Committee, and such nominee agreeing to be bound by the terms of this Plan and such nomination being accepted by the Remuneration Committee in writing.
- 3.1.32 **Option or Stock Option** means the option Granted to an Eligible Employee which gives such Eligible Employee the right, but not an obligation, to purchase or subscribe at a future date, the Shares or Resultant Shares underlying the Option at a pre-determined price and upon such terms and conditions as may be specified by the Company.
- 3.1.33 **Option Holder** means an Eligible Employee who has been Granted Options and who has agreed to abide by the terms and conditions of this Plan as well as the Grant Letter/Award Agreement (and, where the context so requires, shall include a Nominee in case of death of the holder of the Options).
- 3.1.34 **Plan/ Scheme/ Poly Medicure ESOS – 2020** means this Employee Stock Option Scheme as amended or modified from time to time.
- 3.1.35 **Plan Pool** shall have the same meaning assigned to it in Clause 6.2 of this Plan.
- 3.1.36 **Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of medical expert identified by such Committee.
- 3.1.37 **Promoter** shall have the same meaning provided under the SEBI ICDR Regulations.
- 3.1.38 **Promoter Group** shall have the same meaning assigned to it under the SEBI ICDR Regulations.
- 3.1.39 **Recognized Stock Exchange** means the BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which the Company’s Shares are listed or are to be listed.
- 3.1.40 **Remuneration Committee** means the Nomination and Remuneration Committee of the Company designated by the Board to act as a compensation committee in accordance with the SEBI Regulations, consisting of a majority of Independent Directors and entrusted with the authority to formulate, implement and administer the Plan.

- 3.1.41 **Retirement** means retirement of an Employee as per the Rules of the Company.
- 3.1.42 **Resultant shares** mean the shares issued in lieu of Shares of the Company on any Change in Capital Structure or on any Corporate Action as mentioned in this Plan.
- 3.1.43 **SCRA** means the Securities Contracts (Regulation) Act, 1956, as amended from time to time.
- 3.1.44 **SEBI** means the Securities and Exchange Board of India.
- 3.1.45 **SEBI Act** means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- 3.1.46 **SEBI ICDR Regulations** means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
- 3.1.47 **SEBI Regulations** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.
- 3.1.48 **Share(s)** means the fully paid-up equity shares of the Company of the face value of Rs 5 each and where the context so requires shall include the Resultant Shares.
- 3.1.49 **Strategic Sale** means sale of greater than 51% (Fifty one percent) of the Shares in its entirety and/or any event resulting from Corporate Action undertaken by the Company.
- 3.1.50 **Subsidiary** means a subsidiary of the Company as defined under the Act.
- 3.1.51 **Unvested Option** means an Option in respect of which the relevant Vesting Period and other conditions, if any, for Vesting are not attained and which the Option Holder has not become eligible to Exercise.
- 3.1.52 **Vesting** means the process by which an Option Holder becomes eligible to Exercise his Option to apply for the issue and allotment of the Shares pursuant to the Options Granted to him/her under the Plan.
- 3.1.53 **Vesting Date** in relation to an Option means the date on which the Options have Vested.
- 3.1.54 **Vested Option** means an Option in respect of which the relevant vesting conditions have been satisfied and the Option Holder has become eligible to Exercise the Option.
- 3.1.55 **Vesting Period** means the period from the Grant Date till the Vesting Date.
- 3.2 All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI Regulations, the SEBI Act or SCRA or the Act, or the SEBI ICDR Regulations or any statutory modification or re-enactment thereof, as the case may be.
- 3.3 In this Plan, unless otherwise stated or intention appears:
  - 3.3.1 the Clause headings are for ease of reference only and shall not be relevant to interpretation;
  - 3.3.2 a reference to a Clause number includes a reference to its Sub-Clauses;
  - 3.3.3 words in the singular include the plural and vice versa, if the context so requires;
  - 3.3.4 words importing a particular gender include any other gender; and



- 3.3.5 Reference to any Act, Rules, Regulations, Statutes or Notifications/Circulars/Press Notes shall include any statutory modification, substitution or re-enactment thereof.

All other expressions not defined in this Scheme shall have the same meaning as have been assigned to them under the SEBI (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and all statutory modifications or re-enactments thereof, as the case may be.

#### 4. AUTHORITY AND CEILING:

- 4.1 In case of stock consolidation or other reorganisation of capital structure of the company from time to time, the maximum number of shares available for being granted under the **Poly Medicare ESOS - 2020** shall stand modified accordingly, so as to ensure that the cumulative face value prior to such share consolidation or reorganisation, as the case may be remains unchanged after such share split, consolidation or reorganisation of capital structure.
- 4.2 Options not vested due to non-fulfilment of the stipulated conditions, vested options which the employees have expressly refused to exercise and any options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these options will be available for grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its discretion, under the **Poly Medicare ESOS - 2020**, subject to the provisions of the Applicable laws. The terms relating to exercise price, exercise period, vesting, etc., in respect of such lapsed options to be granted, as aforesaid, will be determined by the Nomination and Remuneration Committee at the time of grant as it may deem fit in its absolute discretion, subject to compliance with all applicable laws.
- 4.3 Shares to be issued to the employees pursuant to exercise, will be allotted directly by the Company and shall be listed on the stock exchange(s) where the shares are listed.

#### 5 ADMINISTRATION AND IMPLEMENTATION:

- 5.1 The Plan shall be operated, administered and supervised by the Remuneration Committee under the policy and framework laid down by the Board of Directors of the Company and the guidelines prescribed by SEBI or any other authority in this regard, in accordance with the authority delegated to the Remuneration Committee from time to time and subject to the amendments, modifications and alterations to the Plan made by the Company in this connection.
- 5.2 All the questions of interpretation, disputes, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Plan or any Option shall be referred to the Remuneration Committee and shall be determined by the Remuneration Committee and such determination/ decision/ interpretation shall be final and binding upon the Eligible Employees/Option Holders and all the persons having interest in or affected by this Plan or such Option.

#### 6 SCOPE, ELIGIBILITY AND GRANT

- 6.1 Only employees are eligible for being granted Employee Stock Options under **Poly Medicare ESOS - 2020**. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee, at its absolute discretion.
- 6.2 The aggregate number of Shares with respect to which Options may be granted under this Plan shall not exceed 10,00,000 (Ten Lakh) Shares ("Plan Pool"). If any Options granted under the

Plan are terminated / Forfeited / lapsed under the provisions of the Plan, such Options shall be available for further Grants under the Plan.

- 6.3 Where Shares are issued consequent to Exercise of an Option under the Plan, the maximum number of Shares that are subject to Option referred to in Clause 6.2 above shall stand reduced to the extent of such issued Shares.
- 6.4 The Scheme shall be applicable to the Company and any successor Company thereof and Employee stock options may be granted to the employees of the Company as determined by the Nomination and Remuneration Committee on its own discretion.
- 6.5 The grant shall be at such price as may be determined by the Nomination and Remuneration Committee and shall be specified in the Letter of grant but it shall not be less than the face value of the shares.
- 6.6 The employee identified for grant of options shall be furnished with (i) a letter of grant, (ii) the disclosures prescribed under SEBI Regulations including the salient features of the Scheme; and (iii) a form for exercise of options.

## **7 REMUNERATION COMMITTEE**

### **7.1 Powers of Remuneration Committee**

Notwithstanding anything stated herein, but subject to the provisions of the Act, SEBI Regulations and other Applicable Laws, the Remuneration Committee, in its absolute discretion, shall determine all the terms governing this Plan and any variation thereof. The powers of the Remuneration Committee include, inter alia, the power to:

- 7.1.1 determine the quantum of Options to be Granted, to each Eligible Employee and in the aggregate, and the time at which such Options are to be Granted.
- 7.1.2 determine the price/pricing formula on the basis of which Options would be Granted and Shares are offered at the time of Grant or Exercise of Options, respectively.
- 7.1.3 determine the number of tranches, if any, in which the Options are to be Granted and the quantum of Options to be Granted in each such tranche.
- 7.1.4 determine the criteria for determining the quantum of Options to be Granted to Eligible Employees.
- 7.1.5 determine the terms and conditions subject to which the Options Granted would Vest with the Option Holders.
- 7.1.6 determine the eligibility criteria and Employees eligible for participation in the Plan.
- 7.1.7 determine the performance parameters for Grant and / or Vesting of Options granted to an Eligible Employee, under the Plan.
- 7.1.8 assess the performance of an Eligible Employee/Option Holder for Granting / determining the Vesting of the Options.
- 7.1.9 lay down the conditions under which Options Vested in the Option Holder may lapse in case of termination of employment for fraud, misconduct or where an Option Holder joins competition etc.
- 7.1.10 obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all applicable laws

- 7.1.11 determine the Exercise Period within which the Option Holder should Exercise the Options and that Options would lapse on failure to exercise the same within the Exercise Period.
- 7.1.12 specify time period within which the Option Holder shall Exercise the Vested Options in the event of termination or resignation of the Option Holder.
- 7.1.13 determine the right of an Employee to exercise all Options vested in him/her at one time or at various points of time within the Exercise Period.
- 7.1.14 lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in the Capital Structure and/or Corporate Action.
- 7.1.15 lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares.
- 7.1.16 lay down the procedure for cashless exercise of Options, if any.
- 7.1.17 provide for Grant, Vesting and Exercise of Options in case of Eligible Employees/Option Holders who are on long leave.
- 7.1.18 provide for Vesting and Exercise of Options, in accordance with the Regulations and Applicable Laws, in case of Option Holder seconded to any other company or who have joined Holding Company or a Subsidiary or an Associate Company at the instance of the Company.
- 7.1.19 provisions for providing financial assistance to the Option Holders to enable them to acquire, purchase or subscribe to the Shares.
- 7.1.20 generally exercise such powers as may be necessary or expedient in connection of the implementation or administration of the Plan.
- 7.1.21 frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Insider Trading Regulations and Fraudulent and Unfair Trade Practices Regulations by the Company and the Option Holders.

The number of members of the Remuneration Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the Applicable Law. The Board may further provide that the Remuneration Committee shall exercise certain powers only after consulting the Board.

## **7.2 Liability of the Remuneration Committee**

- 7.2.1 No member of the Remuneration Committee shall be personally liable for any decision or action made in good faith with respect to the Plan.
- 7.2.2 The Remuneration Committee members shall, however, abstain from participating in and deciding matters that directly affect their individual ownership interests under the Plan. In such a case the deciding authority shall rest with the Board of Directors.

## **8 GRANT OF OPTIONS**

### **8.1 Grant Limits**

- 8.1.1 The Remuneration Committee may from time to time make Grants to one or more

Eligible Employees, which may include recurring Grants to the same Eligible Employee, if required.

- 8.1.2 Grant of Option to Eligible Employees, in aggregate, shall not be more than 10,00,000 (Ten Lakh) (1.13 percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at any point of time, in one or more tranches, with each such Option conferring a right upon the Option Holder to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.
- 8.1.3 The quantum of Options that can be granted to an Eligible Employee shall be based on the percentage of such Eligible Employee's remuneration/compensation, or on any other basis, and shall be determined by the Remuneration Committee in its sole discretion. The maximum number of Shares with respect to which Options may be granted to a single Eligible Employee under this Plan shall not exceed 50,000 Shares.
- 8.1.4 A Grant agreed to be made to a prospective Employee on probation upon the condition that such person becomes a permanent Employee, shall be deemed to have been Granted effective on the date as specified in the employment contract or the said individual becoming a permanent Employee, whichever is later.
- 8.1.5 Options Granted to an Eligible Employee shall be evidenced by a Grant Letter/Award Agreement. The Exercise Price shall be specified in the Grant Letter/Award Agreement of the Option Holder.
- 8.1.6 In the event that an Option Holder is transferred or deputed to an Associate Company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of the Grant shall continue in case of such transferred or deputed Option Holder even after the transfer or deputation.

## 8.2 Grant Criteria

The Eligible Employee(s) will be Granted Options by the Remuneration Committee on the basis of any or all of the following criteria, as and when they apply:

- 8.2.1 Level and role of the Employee;
- 8.2.2 Performance of the Employee;
- 8.2.3 Age of the Employee;
- 8.2.4 Such other factors as Remuneration Committee may decide from time to time.

## 8.3 Nomination

Each Option Holder may appoint any person(s) as Nominee for the purpose of exercising the rights on his death, subject to the terms and conditions of the Plan. The Option Holder shall appoint such Nominee by submitting a letter in the form specified by the Remuneration Committee in this regard. The Option Holder has the right to revoke / change such nomination. The Remuneration Committee shall have the sole discretion whether to accept/reject/modify any such nomination. The Nominee shall alone be entitled to exercise the rights of the Option Holder concerned in the event of the death of the Option Holder and shall be bound by the obligations as set out in this Plan. Such Nominee shall be the only legal representative recognized by the Remuneration Committee as the inheritor of the Option Holder's Option to the exclusion of all others.

## 9 VESTING OF OPTIONS

- 9.1 Subject to the terms contained herein, each Option granted shall be an Unvested Option. The terms and criteria for Vesting of Options shall be communicated to the Eligible Employee in the

Grant Letter/Award Agreement. The Remuneration Committee may in its absolute discretion determine the Vesting criteria, which could be either be time-based or performance-based or both, provided, that in no case shall the Vesting Period be (i) more than 4 (four) years from the Grant Date; and (ii) less than 1 (one) year from the Grant Date or such other minimum or maximum time period as may be prescribed by Applicable Laws, from time to time.

- 9.2 Notwithstanding anything to the contrary in this Plan, the Remuneration Committee shall be entitled, in its absolute discretion, to vary or alter the terms of the Vesting, including the Vesting Period of any Option to be Granted or any Option Holder, as it may deem fit. The Remuneration Committee may also vary or alter the terms of the Vesting the Options already Granted but not yet exercised, as it may deem fit; provided, however, that such variation shall not be to the disadvantageous to the Option Holder.
- 9.3 Subject to Clause 10 (*Cessation of Employment*) of this Plan, Vested Options shall entitle the Option Holder to apply for the Shares at the Exercise Price within the Exercise Period. In case the Vesting criteria/Exercise Period relatable to Options are not met or if the Options have Vested and are not Exercised within the Exercise Period, then such Options shall lapse and be cancelled forthwith.
- 9.4 Subject to the Applicable Laws, the Remuneration Committee in its absolute discretion may permit the Exercise of the Options Granted, including Options which have not been Vested, within such time and on such terms and conditions, as it may determine.

## **10 EXERCISE OF OPTIONS**

### **10.1 Exercise Process**

The Option Holder may, at any time during the Exercise Period may, subject to Applicable Laws and fulfilment of conditions provided in the Grant Letter/Award Agreement, Exercise the Vested Options by submitting Exercise Application to the Company accompanied by the payment of an amount equivalent to the Exercise Price in respect of such Shares. The Exercise Application shall be in such form as may be prescribed in this regard and the Remuneration Committee may determine the procedure for Exercise from time to time.

If the Options are not Exercised within the Exercise Period or such other extended period as may be permitted under this Plan, they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Option Holder towards such lapsed Options.

### **10.2 Exercise Shares**

Each Option would entitle the Employee, on Exercise, to acquire 1 (one) Share of face value of INR 5 (Rupees Five) (or such other number adjusted for any Change in Capital Structure of the Company from time to time, as may be determined by the Remuneration Committee pursuant to the provisions of this Plan). Provide that, in the event of Exercise of Options, resulting in fractional Shares, the Remuneration Committee shall be entitled to round off the number of Shares to the nearest whole number and Exercise Price shall be correspondingly adjusted.

### **10.3 Exercise Price**

The Remuneration Committee shall determine the Exercise Price of the Options Granted under the Plan, as it may deem appropriate in conformity with the applicable accounting policies, if any, provided that the Exercise Price shall not be less than the face value of the Shares. Exercise Price will be intimated to the Option Holder through the Grant Letter/Award Agreement. No amount is payable at the time of grant of options.

### **10.4 Cashless Exercise**

Under a Cashless Exercise, an Option Holder who Exercises the Options will have to simultaneously sell the Shares acquired on Exercise of Options and will only be entitled to receive the difference between the Selling Price and the Exercise Price for the Options exercised by him/her after deducting taxes payable on Exercise/Sale, if any, and other

amounts, expenses and charges due from him/her (including those in connection with the sale).

For the purpose of implementing the 'Cashless Exercise' the Remuneration Committee shall be entitled to specify such procedures and/or mechanisms for the Shares issued on Exercise of the Options as may be necessary and the same shall be binding on the Option Holder. For the purpose of this clause, unless otherwise stated, "**Selling Price**" means where the Shares of the Company are listed on a Recognized Stock Exchange, the actual price realized on sale of the Shares.

Notwithstanding anything contained herein or elsewhere in this Plan, it is hereby clarified that the Company is under no obligation to either buy the Shares or pay any compensation to any Option Holder under this clause as a result of the inability or unwillingness of the Option Holder to acquire any Shares, whether due to lack of funds, any restriction under law or otherwise.

**10.5 Restrictions under the Applicable Laws:**

Notwithstanding anything contained elsewhere in the Plan, the Remuneration Committee and/or the Board may, if the Exercise of Options within the Exercise period is prevented by any law or regulation in force, defer or refuse to permit the Exercise of Options till such time as the prohibition under the Applicable Laws is lifted and in such an event the Company shall not be liable to pay any compensation or similar payment to the Option Holder for any loss suffered due to such inability to Exercise. Provided further, that the Board shall have the power and is authorized to cancel all or any of the Options granted under the Plan if so required under the Applicable Law for the time being in force.

**10.6 Documentation**

Notwithstanding any other provisions contained herein, the Remuneration Committee may require the Employee or former Employee or Nominee, as the case may be, to sign such forms, agreements or documents for the purpose of facilitation of terms of this Plan before any Share is allotted to the Employee or former Employee or Nominee, pursuant to Exercise of Options.

**10.7 Exercise of Options in case of cessation of employment**

Notwithstanding the foregoing provisions of this Clause 9 (*Exercise of Options*) and subject to Applicable Laws, in case of cessation of employment, the Option Holder shall be entitled to Exercise the Vested Options in accordance with the provision of Clause 10 (*Cessation of Employment*).

**10.8 Consequence of failure to Exercise Option**

if the Option Holder / Nominee fails to Exercise the Options within the Exercise Period, the amount paid by such Option Holder, if any, at the time of Grant, may be (i) forfeited by the Company or (ii) refunded to the Option Holder/ Nominee if the Options are not Vested due to non-fulfilment of conditions relating to Vesting of Options as per the Plan.

**10.9 Lock-in-period :**

There is no lock in period.

**11 CESSATION OF EMPLOYMENT**

**11.1 Termination**

**11.2 towards such lapsed Options. The Company will inform the Remuneration Committee about termination of an employment under these circumstances.**

**11.3 If the employment of an Option Holder is terminated:**

- 11.3.1 by Retirement or voluntary resignation by the Option Holder attributable to any reason other than Cause;
- 11.3.2 by the Company for any reason other than Cause; or
- 11.3.3 on attaining superannuation as per the rules of employment or service agreement;
- 11.3.4 upon expiration of the term specified under the concerned employment agreement / appointment letter provided that such term has expired without any Cause,

then all the Unvested Options shall lapse on the date of termination / resignation / superannuation and shall revert to the Plan pool. As regards the Vested Options, the Option Holder shall be entitled to Exercise the Vested Options within 3 (three) months from the date of termination / resignation / superannuation, failing which such Vested Options shall lapse and be cancelled forthwith and revert to the Plan Pool. There shall be no further obligation of the Company or the Remuneration Committee towards the Option Holder with regard to lapsed Options.

- 11.4 In the event the Option Holder dies while in employment of the Company, then all the Unvested Options granted to him/her till such date shall immediately Vest in the Nominee, and along with the already Vested Options would be Exercisable within 1 (one) year from the date of the death of the Option Holder, by the Nominee. In case of death of an Option Holder, who has not appointed a Nominee, the Vested and Unvested Options shall be Exercisable by the legal heir(s)/successor(s) of such Option Holder, provided however that the legal heir(s)/successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove succession of the assets of the deceased Option Holder. In the event, the aforesaid Options are not exercised the Nominee or the legal heir(s), as the case may be, within the aforesaid 1 (one) year period, the unexercised Options, if any, will lapse and be cancelled and shall revert to the Plan Pool. There shall be no further obligation of the Company or the Remuneration Committee towards the Nominee or the Option Holder, as the case may be, with regard to the lapsed Options.
- 11.5 In the event the Option Holder suffers permanent Disability while in employment of the Company, then all the Unvested Options granted to him/her till such date shall immediately Vest in the Option Holder as on the date of permanent Disability, and along with the already Vested Options would be Exercisable within 1 (one) year from the date of separation of employment due to permanent Disability, by the Option Holder. In the event, the aforesaid Options are not Exercised within such 1 (one) year period by the Option Holder, the unexercised Options, if any, will lapse and be cancelled and shall revert to the Plan Pool. There shall be no further obligation of the Company or the Remuneration Committee towards the Option Holder, as the case may be, with regard to the lapsed Options. In the event of death of the Option Holder after such separation, the Nominee or legal heir(s) of such Option Holder, as the case may be, will be allowed to Exercise all the unexercised Options of the Option Holder before the expiry of 1 (one) year from the date of death and Clause 10.3 above shall be applicable, *mutatis mutandis*.
- 11.6 The treatment of Options in the hands of an Option Holder who is on long leave or whose employment is terminated for reasons other than mentioned in this Clause 11 (*Cessation of Employment*) shall be decided by the Remuneration Committee on the merits of the case as and when it arises.

## **12 NON-ASSIGNABILITY**

- 12.1 The Options granted under this Plan is non-transferable and non-assignable and therefore not eligible to be sold, pledged, assigned, hypothecated, transferred or otherwise disposed of or alienated in any manner whatsoever. No Option shall be subject to execution of any decree, attachment or similar process. The Option shall only be Exercisable by such Option Holder, or in case of death of the Option Holder, by the Nominee/legal heirs.
- 12.2 For the sake of clarification, there will be no restriction on transferability of Shares, which

may be issued/allotted on Exercise of the Options Granted pursuant to this Plan upon completion of all compliances related to Exercise to the satisfaction of the Remuneration Committee.

**13 RIGHTS OF OPTION HOLDER**

Neither Option Holder, nor his Nominee shall have any of the rights of a shareholder of the Company (for example, voting rights, dividend rights, bonus or right shares etc.) with respect to the Shares for which the Option is Granted until Options are Exercised and Shares are issued by the Company in accordance with this Plan.

**14 TERMS AND CONDITIONS OF SHARES**

Shares to be issued to an Option Holder pursuant to Exercise, will be allotted directly by the Company and shall (subject to the approval of Recognized Stock Exchanges) be listed on the Recognized Stock Exchanges where the Shares of the Company are listed. All the Shares allotted consequent to Exercise of Options shall rank *pari passu* with the existing Shares of the Company, save as regards any right attached to any such Shares by reference to a record date prior to the date of allotment.

**15 CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION**

15.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Remuneration Committee, at its discretion as to number and Exercise Price of Options, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined in this Plan.

15.2 The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders of the Company to make or authorize any 'Change in Capital Structure' or undertake any 'Corporate Action' including any further issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

15.3 If there is a 'Change in the Capital Structure of the Company' before the Vested Options granted under this Plan are Exercised, the Option Holder shall be entitled to Exercise the Vested Options, to such number of Resultant Shares to which he would have been entitled as if all the Options not exercised by him/her had been exercised by him/her before such 'Change in the Capital Structure' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

15.4 The Shares in respect of which the Options are Granted, are Shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a 'Change in the Capital Structure' of the Company, the number of Shares with respect to which the Options may thereafter be exercised shall, in the event of:

15.4.1 an increase in the number or Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.

15.4.2 a reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased.

Provided further that in case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.

15.5 In the event of 'Corporate Action', the Remuneration Committee, at least seven days prior to any 'Corporate Action' or thirty days thereafter, acting in its absolute discretion with or without the consent or approval of the Option Holder, as it may deem fit, shall in respect of the outstanding



Options act on any of the following alternatives:

- 15.5.1 Provide that on any Exercise of Vested Options hereafter, the Option Holder shall be entitled to the Shares and / or Resultant Shares as if the Option Holder had been a holder of the Shares on exercise of the Options.
- 15.5.2 Make such adjustments to the Options outstanding to reflect the 'Corporate Action', as may be necessary,
- 15.5.3 Require the mandatory surrender to the Company, by all or some of the Option Holder, of all or some of the outstanding Options, irrespective of whether, the Options, have Vested or not, as on that date, and in such an event the Remuneration Committee shall pay such Option Holder an amount in cash or otherwise, per Option, as the case may be, of the Change in Control Value which will be after deducting the balance Exercise Price payable, if any.

## **16 AMENDMENT OR TERMINATION OF THE PLAN**

- 16.1 The Remuneration Committee may, in its absolute discretion and with the approval of the Shareholders, if required, from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof, provided, that no amendment, alteration or termination of any Grant previously made shall be carried out, if such termination / amendment is detrimental to the interest of the Option Holder or is in violation of Applicable Laws.
- 16.2 Without prejudice to the above, the Remuneration Committee may, without any reference to or consent of the Option Holders concerned, and subject to approval of Shareholders, if required, amend the Plan or Grant or any Grant Letter/ Award Agreement to comply with any Applicable Laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.

## **17 OTHERS**

### **17.1 No Right to a Grant**

Neither the adoption of the Plan nor any action of the Remuneration Committee shall be deemed to give an Eligible Employee any right to be Granted an Option to purchase Shares, to receive a Grant or to any other rights hereunder except as may be evidenced by the Grant Letter/ Award Agreement duly executed on behalf of the Company.

### **17.2 No Employment Rights Conferred**

- 17.2.1 Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Option Holder any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.
- 17.2.2 The Grant of Option does not form part of the Option Holder's entitlement to compensation or benefits pursuant to his/her contract of employment nor does the existence of a contract of employment between any person and the Company would give any person any right or entitlement to have an Option Granted to him/her in respect of any number of Shares or any expectation that an Option might be Granted to him whether subject to any condition or at all.
- 17.2.3 The rights Granted to an Option Holder upon Grant of an Option shall not afford the Option Holder any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reasons whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

### **17.3 No Restriction of Corporate Action**

Nothing contained in the Plan shall be construed to prevent the Company from Changing the Capital Structure or taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan. No Eligible Employee/Option Holder, beneficiary or other person shall have any claim against the Company as a result of such action.

**17.4 Taxation**

The Option Holder shall be liable for any tax that may be attracted on the Option Holder receiving the Shares upon Exercise or upon Cashless Exercise of Options. All Options granted under the Plan shall be subject to deduction of applicable perquisite tax or any other tax at source as applicable under law, if at any time of Grant, Vesting or Exercise (or Cashless Exercise) of such Options or transfer of Shares, as per the Applicable Laws. The Company shall have a right to deduct appropriate tax from any payment due to the Option Holder from the Company under this Plan or under the employment agreement with the Option Holder. In the event that the amount so due and payable by the Company is insufficient to meet the withholding tax liability, the Company shall require the Option Holder to remit such amount to the Company as would be necessary to meet the tax withholding obligation of the Company.

The Option Holder will authorize in a prescribed format the Company to sell such number of Shares as would be necessary to discharge the obligation in respect of tax deduction at source/recovery of tax paid and appropriate the proceeds thereof on behalf of the Option Holder, if so required.

**17.5 Tax deduction at source**

The Company shall have the right to deduct from the employee's salary, any of the employee's tax obligations arising in connection with the employee stock option or the shares acquired upon the exercise thereof. The Company shall have no obligation to deliver shares until the company's tax deduction obligations, if any, have been satisfied by the option grantee.

**17.6 Confidentiality**

The Option Holder shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, the Grant Letter/Award Agreement or any connected matter. Any violation may result in cancellation of Grants.

**17.7 Insider Trading**

Eligible Employees/ Option Holders are required to always adhere to the Applicable Laws and Company's policies and dealing with the Shares or any exercising any rights thereunder, in particular, each Eligible Employee/Option Holder shall ensure that there is no violation of:

17.7.1 Insider Trading Regulations and/or the guidelines prescribed by the Recognized Stock Exchange on which the shares of the Company are listed.

17.7.2 Other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the securities market.

The Eligible Employee/Option Holder shall keep the Company, Remuneration Committee and the Board, fully indemnified in respect of any liability arising for violation of the above provisions.

**17.8 New Plans**

Nothing contained in the Plan shall be construed to prevent the Company directly or through

any trust settled by Company, from implementing any other new Employee Ownership Plan 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 Plan or any Grant made under the Plan. No Option Holder or other person shall have any claim against the Company or the Board or Remuneration Committee as a result of such action.

**17.9 Liability**

The inability of the Company to obtain any statutory authority/approval from any Governmental Authority or under the Applicable Law, for the lawful issuance or Sale of any Shares shall relieve and wholly discharge the Company of any and all liabilities in respect of failure to issue/sell such Shares.

**17.10 Compensation of loss**

The Option Holder shall not be entitled to any compensation or damages for any loss of potential loss which he/she may suffer by reason of being unable to Exercise an Option, in whole or in part. Further, participation in this Plan shall not be construed as any guarantee of return or any investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments is that of the Option Holder alone.

**17.11 Method used for valuing Options**

The Company shall follow the intrinsic value method for computing the compensation cost for the Options Granted. The difference between the compensation cost so calculated and the compensation cost that would have been recognized, if the Company had used fair value method and its impact on the profits and earnings per share shall be disclosed as per Applicable Laws, wherever required.

**17.12 Arbitration**

All disputes arising out of or in connection with the Poly Medicare ESOS – 2020 or the grant, vesting or exercise shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time. The place of arbitration shall be New Delhi.

**17.13 Governing Law**

17.13.1 The Plan shall be construed in accordance with the laws of Republic of India and other Applicable Laws. The Shares issued pursuant to this plan shall be governed by the Applicable Laws of the India and the rules and regulations of the Recognized Stock Exchanges, and in a case where the Shares are listed on a stock exchange in a country other than India, the laws of the country / stock exchange in which the Shares are listed shall also apply.

17.13.2 Notwithstanding this, the Company may undertake proceedings against any Eligible Employee/Option Holder in any court of competent jurisdiction or concurrently in more than one jurisdiction in case such Eligible Employee/ Option Holder has violated or threatens to violate the terms of the Plan.

APPROVED BY THE NOMINATION AND REMUNERATION COMMITTEE AS OF 06<sup>TH</sup> DAY OF MAY, 2025

ADOPTED BY THE BOARD OF DIRECTORS AS OF 06<sup>TH</sup> DAY OF MAY, 2025

APPROVED BY THE SHAREHOLDERS AS OF .....