DR. AGARWAL'S HEALTH CARE LIMITED **EMPLOYEES STOCK OPTION SCHEME – 2022**

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For Dr. Agarwal's Health Care Ltd.

A. Thanikainathan Company Secretary

1. Introduction:

- This employee stock option scheme shall be called "Dr. Agarwal's Health Care Limited Employees Stock Option Scheme – 2022 (hereinafter referred as "Scheme").
- 1.2 The Scheme was approved by the Board of Directors and the Shareholders of the Company on August 12, 2022 and November 21, 2022 respectively. The Scheme has been further amended by the shareholders at the Extra Ordinary General Meeting held on July 26, 2024.
- 1.3 The Scheme shall be effective from November 21, 2022 i.e., date of Shareholders' approval.

2. Term of the Scheme:

- The Scheme shall commence on the date of adoption of this Scheme by the Board and shareholders of the Company and continue up to (i) the period determined by the Board ("Term") as per provisions of Applicable Laws; or (ii) the date on which all of the Options available for issuance under the Scheme have been issued and exercised or have lapsed or have been cancelled by the Committee and the Committee does not intend to re-Grant the said lapsed or cancelled Options, whichever is earlier.
- 2.2 Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / nominee / legal heirs and the Company.

3. Purpose of the Scheme:

- 3.1 To reward the Employees for their association and performance;
- 3.2 To motivate the Employees to contribute to the growth and profitability of the Company;
- To motivate the Employees with incentives and reward opportunities for better performance; 3.3
- 3.4 To retain the Employees for the growth of the Company;
- 3.5 To catapult the quality of life of hard working, high performing, honest and loyal Employees and their families.
- 3.6 Bringing sense of association with the Company and its growth.

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4. Definitions:

In this Scheme, except where the context otherwise requires, the following expressions or terms shall

have the meanings indicated there against.

- **4.1** "Act" means the Companies Act, 2013 including rules framed thereunder and any statutory modification or amendment thereto, or supplemental or re- enactment thereof, for the time being in force;
- **4.2 "Abandonment"** means absence of an Employee from work without a reasonable excuse for a period of 30 days or more without having communicated to the Employer any reason of absence:
- 4.3 "Applicable Law" means any applicable law, bye-law, legislation, subordinate or delegated, statute, regulation, rule, circular, notifications, clarifications, ordinances, protocols, codes, guidelines, policies, notices, direction, judgment, decree, order or other legal requirement or official directives of any governmental authority or person acting under the authority of any governmental authority of India, as amended, modified, consolidated or replaced, from time to time, relating to employee stock options, including, without limitation, the Act, Securities and Exchange Board of India Act, 1992, the SEBI (SBEB & SE) Regulations (defined hereinafter), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, the tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction and any stock exchange(s) or quotation on which shares of the Company may be listed or quoted;
- **4.4** "Associate Company" shall have the same meaning as defined under Section 2(6) of the Act;
- **4.5 "Board of Directors"** means the board of directors of the Company as constituted from time to time including any duly constituted committee as the context requires;.
- **4.6 "Body Corporate"** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time;
- **4.7 "Cash Mechanism"** means a route under which the Grantee will receive the Shares equivalent to the number of the Options exercised, after the Grantee has made the payment of the Exercise Price and applicable tax in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter;
- **4.8** "Committee" means the Nomination and Remuneration Committee constituted by the Board, and as may be reconstituted by the Board from time to time under Section 178 of the Act and as required under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for administration and superintendence of the employee stock option scheme of the Company including this Scheme.
- **4.9** "Company" means Dr. Agarwal's Health Care Limited a company registered in India under the provisions of the Companies Act, 1956 having CIN: U85100TN2010PLC075403 and

registered office at 1st Floor, Buhari Towers, No.4, Moores Road, Off Greams Road, Near Asan Memorial School Chennai, Tamil Nadu – 600006;

- **4.10** "Corporate action" means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of shares and consolidation of shares;
- **4.11 "Director"** means shall have the same meaning as defined under Section 2(34) of the Companies Act, 2013;

4.12 "Employee" means:

A. Until the Listing of the Company

- a. a Permanent Employee of the Company who has been working in India or outside India; or
- **b.** a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or
- c. an Employee as defined in clause (a) or (b) above of a Subsidiary Company, in India or outside India, 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 percent of the outstanding equity Shares of the Company.

B. Post Listing of the Company

- **a.** an employee as designated by the Company, who is exclusively working in India or outside India; or
- **b.** 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
- c. an employee as defined in sub-clauses (a) or (b) above, 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 percent of the outstanding Shares of the Company.
- **4.13 "ESOP Shares"** means the fully paid-up Shares issued to the Option Grantee upon the Exercise of the Option by him / her granted under the Scheme;
- **4.14 "Eligibility Criteria"** means the criteria, as may be determined from time to time by the Committee for grant of Options;

- **4.15** "Exercise" means making of an application, in such manner and on such format as may be prescribed by the Committee, from time to time, by the Grantee, to the Company for exercise of vested Options in accordance with the Scheme and in accordance with the procedure laid down by the Company for exercise of Options.
- **4.16** "Exercise Period" means the time period commencing from the Vesting Date within which the Option Grantee can Exercise the Options Vested in the Option Grantee in pursuance of this Scheme;
- 4.17 "Exercise Price" means the price payable by the Grantee for exercising the Options vested in him in pursuance to the Scheme, subject to compliance with Applicable Law. Provided that the Exercise Price shall be in compliance with the accounting standards as specified under the SEBI (SBEB & SE) Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time;
- **4.18** "Existing Investors" shall mean (i). Claymore Investments (Mauritius) Pte. Ltd., a company incorporated under the laws of Mauritius having its registered office at Les Cascades, 5th Floor, Edith Cavell, Port Louis 11324, Mauritius; (ii) Arvon Investments Pte. Ltd., a company incorporated under the laws of Singapore having its registered office at 60B Orchard Road, #06-18 The Atrium @ Orchard, Singapore 238891 and (iii). Hyperion Investments Pte. Ltd., a company incorporated under the laws of Singapore having its registered office at 83 Clemenceau Avenue, #11-01 UE Square, Singapore 239920;
- **4.19 "Exercise Window"** means a period as decided by the Committee within which vested Options can be exercised within the overall exercise period and shall not be less than 3 days and not more than 15 days.
- **4.20** "Fair Market Value" means value of Shares/ Rights attached to Options determined by an Independent Valuer;
- **4.21 "Grant"** or "Granted" means the issue of Options to the Option Grantee under the Scheme;
- **4.22** "Grant Date" means the date on which the Committee approves the Grant under the Scheme. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;
- **4.23** "Grantee" shall mean an eligible Employee to whom Options have been granted under the Scheme:
- **4.24** "Grant Letter" means the written or electronic agreement between the Company and a Grantee setting forth the terms and conditions applicable to a Grant to the Grantee under the Scheme;
- **4.25** "Group" shall have the same meaning as assigned to it under the SEBI (SBEB & SE) Regulations;

- **4.26** "Holding Company" means any present or future holding company of the Company, as per the provisions of the Act;
- **4.27** "Independent Director" means an independent director as referred to in sub-section (6) of section 149 of the Act and post Listing, will be as determined under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- **4.28** "Listing" means listing of the Company's Share on any recognized stock exchange which included listing of Shares pursuant to Initial Public Offering of Shares as per Applicable Laws;
- **4.29** "Long Leave" means an approved leave taken by the Grantee for a period of more than three months out of twelve months starting from date of grant/ vesting, as the case may be.
 - Provided that the period of long leave shall not include the period in which the Grantee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Board of Directors.
- **4.30** "Options / Employee Stock Options" means a right but not an obligation granted to a Grantee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Scheme.
- **4.31 "Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which permanently incapacitates or prevents a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Board of Directors based on a certificate of a medical expert identified by the Company.
- **4.32** "**Promoter**" shall have the same meaning as assigned to in Section 2(69) of the Companies Act, 2013 and as defined in the SEBI ICDR Regulations;
- **4.33** "Promoter Group" means promoter group as referred to in the SEBI ICDR Regulations
- **4.34** "Relative" shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.
- **4.35** "Scheme" shall mean Dr. Agarwal's Health Care Limited Employees Stock Option Scheme 2022 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- **4.36** "SEBI ICDR Regulations" means Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;

- **4.37** "SEBI (SBEB & SE) Regulations" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time read with all circulars and notifications issued thereunder;
- **4.38** "Shares" means Equity Shares of the Company.
- **4.39 "Subsidiary"** shall have the same meaning as defined in section 2(87) of the Companies Act, 2013, as amended from time to time.
- **4.40** "Unvested Option" means an Option in respect of which Vesting conditions or Vesting Period have not been satisfied and the Grantee has not become eligible to Exercise the Option;
- **4.41 "Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Option.
- **4.42** "Vesting" means the process by which the Grantee becomes entitled to receive the benefits of a Grant made to him under the Scheme.
- **4.43** "Vesting Date" means the date on and from which the Option vests with the Grantees.
- **4.44** "Vesting period" means the period during which the Vesting of the Option Granted to the Option Grantee, in pursuance of this Scheme takes place. Provided that, post Listing of the Company, in case of death or Permanent Incapacity, the minimum vesting period of 1 (one) year shall not apply.
- **4.45** "Whole Time Director" shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

Interpretation:

In this document, unless otherwise stated or intention appears:

- ✓ The singular includes the plural and vice versa;
- ✓ The word "person" includes an Individual, a Firm, a Body Corporate or Unincorporated Body or Authority;
- ✓ Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders.
- ✓ Any word which is not defined under the Scheme shall be interpreted in line with Companies Act, 2013.
- ✓ Any reference to the word "include" or "including" shall be construed without limitation.
- ✓ Articles headings are for information only and shall not affect the construction of this document.
- ✓ A reference to an article is respectively a reference to an article of this document.
- ✓ Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

5. Implementation & Administration:

- 5.1 The Scheme shall be administered, implemented and supervised by the Committee working under the power delegated by the Board in compliance with the SEBI (SBEB & SE) Regulations.
- 5.2 The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme;
- 5.3 The Committee may correct any defect, omission or reconcile any inconsistency in this Scheme in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to the implementation of this Scheme and take any action which the Committee is entitled to take with respect to this Scheme in compliance with the SEBI (SBEB & SE) Regulations;
- 5.4 The acts of a majority of the members of the Committee present at any meeting or acts approved in writing by a majority of the entire Committee shall be acts of the Committee for the purpose of this Scheme. No member of the Committee may act upon matters under this Scheme specifically relating to such member;
- 5.5 Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their nominees / legal heirs).
- 5.6 The Committee shall subject to applicable laws, inter alia, have powers to do following:
 - **5.6.1** To decide upon re granting of Options which were lapsed, forfeited or surrendered under any provisions of the Scheme;
 - **5.6.2** To increase or decrease the pool of Shares to be issued under Scheme, subject to Applicable Law;
 - **5.6.3** To identify the Employees eligible to participate in the Scheme;
 - **5.6.4** To finalize the eligibility criteria for grant of Options;
 - **5.6.5** To determine the eligible Employees qualified for grant of Options;
 - 5.6.6 To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme;
 - **5.6.7** To decide upon granting of Options to new joinee;
 - **5.6.8** To determine the grant date and time;
 - 5.6.9 the number of tranches in which Options are to be Granted and the number of Options to be Granted in each such tranche;
 - **5.6.10** To grant Options to one or more eligible Employees;
 - **5.6.11** To determine terms and conditions subject to which Options Vested would be exercisable by an Employee;

- **5.6.12** To extend the period of acceptance of grant.
- **5.6.13** To calculate the exercise price.
- **5.6.14** To decide the vesting period subject to minimum and maximum period of vesting as stated in Scheme.
- **5.6.15** To determine the vesting schedule for each Grantee;
- **5.6.16** To frame rules to cover matters not specifically identified herein, in a manner consistent with equity and natural justice and the terms of this Scheme;
- **5.6.17** To determine the Grantees eligible for vesting of Options;
- 5.6.18 the Exercise Period within which Grantee should Exercise the Options and that Options would lapse on failure to Exercise the Option within the Exercise Period;
- **5.6.19** To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme.
- 5.6.20 To decide the procedure for making a fair and reasonable adjustment to the number of Options and/ or to the Exercise Price in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others. In this regard the following shall be taken into consideration by the Committee;
 - (i) the number and / or the Exercise Price of the Options shall be adjusted in a manner such that the total value of ESOP Shares remains the same before and after such corporate action; and
 - (ii) the Vesting Period the Options shall be left unaltered as far as possible to protect the rights of the Grantee.
- **5.6.21** To cancel all or any granted Options in accordance with the Scheme.
- **5.6.22** To accelerate the vesting of Options on a case to case basis, subject to completion of minimum 1 year from the date of grant.
- **5.6.23** To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and Company.
- **5.6.24** To finalize letters and other documents, if any, required to be issued under the Scheme.
- **5.6.25** To waive the vesting conditions for vesting of Options for all Grantees or on case-to-case basis.
- **5.6.26** To re price the Options which are not exercised, whether or not they have been vested, if the Options rendered unattractive due to fall in the price of the Shares in the market.
- 5.6.27 the procedure for funding the Exercise of Options and mode of payment of the Exercise Price (cheque, demand draft, deduction from salary, or any other mode);
- **5.6.28** the procedure for cash settlement of the Options, if required, at the discretion of the Committee;
- 5.6.29 the procedure for buy-back of specified securities issued under SEBI (SBEB & SE) Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
- (iii) limits upon quantum of specified securities that the Company may buyback in a financial year.
- **5.6.30** To construe and interpret the terms of the Scheme, and the Options granted pursuant to the Scheme.
- 5.6.31 To determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option granted hereunder.
- 5.6.32 To determine or impose other conditions to the grant of Options under the Scheme, as it may deem appropriate.
- 5.7 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.
- **5.8** A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Options to himself.
- 5.9 In connection with Listing, the Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time); (b) 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); and (c) any other applicable regulations as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee, as applicable.
- 5.10 The Company shall appoint a registered merchant banker for implementation of this Scheme covered by the SEBI (SBEB & SE) Regulations until the stage of obtaining in-principle approval from the stock exchanges in accordance with the SEBI SBEB Regulations.

6. Pool of the Scheme:

- 6.1 The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 2% of the Paid-Up Capital of the Company, as on August 12, 2022, comprising of 1,58,522 (One Lakh Fifty-Eight Thousand Five Hundred and Twenty-Two) Options which shall be convertible into equal number of Shares. The Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to an Employee within this ceiling, subject to the approval of the shareholders.
- 6.2 If any Options granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Options shall be available for further grant and will be

- added back in the pool of ungranted Options under the Scheme unless otherwise determined by the Committee, subject to compliance with Applicable Laws.
- 6.3 The Company shall take prior approval from the shareholders of the Company by way of a special resolution to Grant Options to the Employees of the Subsidiary(ies), or Associate Company(ies), or a company belonging to the same Group as the Company.
- **6.4** Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of Corporate Action.

7. Eligibility Criteria:

- 7.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of Options under the Scheme and the terms and conditions thereof.
 - Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company/Subsidiary Company.
 - Performance of Employee: Employee's performance during the financial year on the basis of the parameters decided by the Company/Subsidiary Company.
 - Performance of Company: Performance of the Company as per the standards set by the Committee.
 - Any other criteria as decided by the Committee in consultation with the Board of Directors from time to time.
- 7.2 The Employees satisfying the eligibility criteria shall be termed as Eligible Employee.
- **7.3** New joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.
- 7.4 Nothing in the Scheme or in any Options granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company/ Subsidiary Company or interfere in any way with the right of the Company/ Subsidiary Company to terminate the Employee's employment at any time.

8. Grant of Options:

- **8.1** The Committee shall grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment, and other parameters as set out by the Committee, if any.
- 8.2 Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be

equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

- **8.3** The grant of Options shall be communicated to the eligible Employees in writing through Grant Letter specifying the vesting date, number of Options granted, exercise price, vesting schedule, and the other terms and conditions thereof.
- **8.4** No amount shall be payable by an Employee at the time of grant of Options.
- **8.5** Upon grant, an eligible Employee shall become Grantee under the Scheme.
- 8.6 Subject to the Corporate Action(s) taken by the Company, if any, the grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company.
- **8.7** The Options granted to the eligible Employees shall not be transferable to any other person.
- **8.8** The Options granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
- 8.9 As a condition to the receipt of benefits hereunder, each Grantee may be required to execute related agreements, in a form satisfactory to the Committee, which may include but are not limited to, a non-competition, confidentiality, non-solicitation, non-Interference, adherence to code of conduct or non-disclosure agreement with the Company as well as tax indemnification agreements in connection with the grant of the Options.

9. Method of Acceptance:

- **9.1** Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter, which shall also contain the vesting conditions, to the Committee within 30 days from the date of receipt of the Grant Letter. The Committee may extend the said period of 30 days for such duration as it may deem fit for the benefits of the Grantees.
- **9.2** Any Grantee who fails to return the signed copy of Grant Letter and/or fails to provide his acceptance within the above–mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the Grant and the Company is not liable to pay any such amount on such rejection.
- **9.3** The Grantee is not required to pay any amount at the time of acceptance of the offer. Any acceptance letter received after the period stated above shall not be valid.

9.4 Subject to the terms contained herein, the acceptance in accordance with this article, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

10. Vesting of Options:

- 10.1 Vesting period shall commence from the date of Grant subject to a minimum 1 (One) year from the Grant Date and maximum 4 (Four) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee.
- **10.2** The vesting schedule will be clearly defined in the Grant Letters of respective Grantees (*can vary from Grantee to Grantee*) subject to minimum and maximum vesting period as specified in article 10.1 above.

However, the suggestive vesting schedule is as follow:

Time Period	% of Options to be vested
At the end of 1st year from the grant date	25% of the Options Granted
At the end of 2 nd year from the grant date	25% of the Options Granted
At the end of 3 rd year from the grant date	25% of the Options Granted
At the end of 4th year from the grant date	25% of the Options Granted

- 10.3 The actual vesting will be subject to the continued employment of the Grantee and may further be linked with the performance or other criteria's as determined by the Committee and mentioned in the Grant Letter.
- **10.4** The Options which get lapsed in any of the vesting, will get lapsed from the hands of the Grantee.
- 10.5 The Committee shall have the power to modify or accelerate the vesting schedule on a case—to—case basis subject to the minimum Vesting Period of (One) year between the Grant and first vesting, provided that such modification is not detrimental to the interest of the Grantee.
 - Post Listing, in the event of death or Permanent Incapacity / disability, the minimum Vesting Period of 12 (twelve) months shall not be applicable and in such instances, the Options shall Vest on the date of death or Permanent Incapacity / disability, as the case may be.
- 10.6 Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options (other than the last vesting), then the Option to be actually vested, be rounded off to nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.

11. Exercise Price:

- 11.1 Under this Scheme, the exercise price will be based on the Fair Market Value, as on date of grant of Options, subject to disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments'.
- 11.2 The Committee has a power to provide suitable discount of maximum 20% on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.
- 11.3 The aggregate exercise price payable at the time of exercise shall be paid, as per the discretion of the Grantee, by a cheque, NEFT, deduction from salary (if salary of the month of exercise is not paid and is sufficient for payment of exercise price) or demand draft drawn in the name of the Company i.e., Dr. Agarwal's Health Care Limited.
- 11.4 The tax amount arising at the time of exercise of Options shall be payable at the time of exercise, as per the discretion of the Grantee, by a cheque, NEFT, deduction from salary (if salary of the month of exercise is not paid and is sufficient for payment of tax amount) or demand draft drawn in the name of the Company i.e., Dr. Agarwal's Health Care Limited.

12. Exercise of Options:

- 12.1 The Exercise Period will be 1 (One) year from the date of last vesting. Within the Exercise Period, the Committee shall open Exercise Windows as per its own discretion in which the Grantees can exercise either wholly or partly, through Cash Mechanism. Failure to comply within this time period shall result in lapsing of Vested Options in the hands of Grantee.
- **12.2** The mode and manner of Exercise shall be communicated to the Grantee individually.
- **12.3** Upon valid Exercise, the Grantee will receive the ESOP Shares, by the Company via fresh allotment, equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme.
- 12.4 Notwithstanding anything contained elsewhere in the Scheme, the Company, may not allot ESOP Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust or like event(s) and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.
- 12.5 If the vesting or exercise of Options or sale of Shares is prevented by any law or regulation in force, and the Company is forbidden to allot Shares pursuant to exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee in any manner whatsoever.
- 12.6 The Committee shall have the power to cancel all or any of the Options granted under the

Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.

13. Lock in Period and Exit Opportunity:

- 13.1 The ESOP Shares so allotted to the Grantees pursuant to exercise of Options will not be subject to any lock-in period.
- 13.2 The Grantee is free to sell the Shares on occurrence of any exit events. The time period within which a Grantee may sell the Shares and the number of Shares which can be sold along with the exit price shall be determined and intimated by the Committee from time to time.

For the purpose of this Article, the Exit Events are the following:

- Acquisition by any company, person, entity or group of a controlling stake in the Company. For this purpose 'Controlling Stake' shall mean more than 50% of the voting share capital of the Company
- The successful listing of the Company's share on a recognized stock exchange
- ➤ In case of private equity investment in the Company.
- ➤ The merger, de-merger, spin-off, acquisition, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for Cash;
- Any other event as the Committee may decide in consultation with Board of Directors and inform during the currency of the Scheme.

14. Cessation of Employment:

Subject to the employment terms of a Grantee, the following terms shall be applicable:

14.1 In the event of cessation of employment due to death

- a) All Options granted as on date of death would vest in the legal heirs / nominee of the Grantee on that day. The Options would be exercisable by the legal heirs / nominee within a period of 12 (Twelve) months from the date of death failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- b) All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the Options of the deceased Grantee, the legal heirs / nominee have to submit the following documents to the Company, to the satisfaction

of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

A. In case nominee is not appointed

- Copy of the succession certificate / probate of will / letter of administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self attested).
- Copy of address proof (self attested)

B. In case nominee is appointed

- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self attested).
- Copy of address proof (self attested)

14.2 In the event of cessation of employment due to Permanent Incapacity

All Options granted to Grantee as on date of permanent incapacity or permanent disability would vest in Grantee on that day. The Options would be exercisable within a period of 12 (Twelve) months from the date of permanent disability by the Grantee (in case of physical disability) and his/her nominee (in case of mental disability), failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. Further, after Listing, the Company shall formulate appropriate policy in accordance with Applicable Laws, as regards the Options Granted in case of Permanent Incapacity of the Option Grantee.

If an employee has been granted Options, and their employment terminates due to death, then all the Options will vest on such date, and their beneficiaries shall be entitled to exercise the vested options within the exercise period specified in the grant letter, which shall not be less than 12 months, and shall not exceed the period of 4 years from the date of vesting, subject to the terms of the applicable employee stock option scheme.

14.3 In the event of cessation of employment due to resignation or termination (not due to misconduct, moral turpitude or ethical/ compliance violations)

a) All Unvested Options, on the date of cessation, shall expire and stand terminated with effect from the last working day of the employee with the Company unless otherwise determined by the Committee whose decision will be final and binding.

b) All Vested Options as on that date shall be exercisable by the Grantee by last day of employment in the Company or before expiry of exercise period, whichever is earlier. The Vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

14.4 In the event of cessation of employment due to retirement / superannuation

- a) All unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date. The Committee however, if deems fit, may allow pro rata Vesting of all or few Unvested Options based upon the date of retirement/superannuation and prospective date of vesting. The decision of the Committee shall be final and binding. Such vested Options, if any, shall be exercisable by the Grantee within 12 (Twelve) months of last day of employment in the Organization. The vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.
- All Vested Options as on that date shall be exercisable by the Grantee by last day of employment in the Company or before expiry of exercise period, whichever is earlier. The Vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.
- 14.5 In the event of cessation of employment due to termination (due to misconduct, moral turpitude or ethical/compliance violations)
 - If a Grantee is terminated due to misconduct, moral turpitude or ethical/compliance violations, all Options granted whether vested or not shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.
- 14.6 In the event that a Grantee is transferred or deputed to a Holding Company or Subsidiary Company or Associate Company prior to vesting or exercise of Options, the vesting and exercise of Options, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.
- 14.7 In the event of abandonment of service, all granted Options whether vested or not at the time of abandonment of service, shall stand terminated forthwith. The date of abandonment of service shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.
- 14.8 In the event of a Grantee going on Long Leave, i.e. absence from the office for more than three months (other than statutory leaves), the treatment of Options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.
 - Provided that, the Grantee's service with the Company shall not be deemed to terminate if the Grantee takes any sick leave or any other bona fide leave of absence approved by the Company

for 3 (three) months or less. In the event of the leave of absence in excess of 3 (three) months, such leave of absence will not be treated as continuous service, unless decided otherwise by the Committee.

- 14.9 In the event where a dispute arises between Grantee and the Company, vesting and/or exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee.
- **14.10** The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 14.1 to 14.9.

15. Other terms and conditions:

- 15.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the grant unless Grantee exercises the Options and becomes the registered Shareholder of the Company.
- 15.2 The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise Options in whole or in part.
- 15.3 The Grantee would not be entitled to receive copies of documents that are sent to the members of the Company until he becomes the shareholder of the Company upon exercise of shares.

16. Notices and correspondence:

- Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company/ Committee in writing or at the specific designated email id of the Company.
- 16.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as available in the records of the Company or at the official email id of the Grantee.

17. Nomination of Beneficiary:

17.1 Each Grantee under the Scheme may nominate, from time to time, any beneficiary or beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

17.2 The Nominee specified as aforesaid shall alone be entitled to exercise the rights of the Grantee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heirs of the Grantee concerned. If a Grantee fails to make a nomination, the Options shall vest on his legal heir/(s) in the event of his death.

18. Corporate Action:

- **18.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action' as defined herein.
- 18.2 In the event of a Corporate Action in the Company, the Board of Directors, subject to the provisions of Applicable Laws, shall make fair and reasonable adjustments to the Options granted and not exercised, as it deems fit, with respect to the number of Options, Exercise Price and shall make any other necessary amendments to the Scheme.

19. Disclosure and Accounting Policies:

- 19.1 The Company shall comply with the disclosure and accounting policies as prescribed by SBEB Regulations. Presently it is to be done as per accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments'. The Company shall use Fair Market Value method to value its Options.
- **19.2** Compensation cost will be booked in the books of accounts of the Company over a vesting period.

20. Taxability on the Grantee:

20.1 The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

There would be a double point of Taxation on the Employee:

Point 1: At the time of exercise of the Options the difference between the Fair market price of the Shares as on date of exercise of the Options and the exercise price will be added as a perquisite under salary in the month of exercise. The Employee will be liable to pay the taxes at the individual slab rate in which he falls.

E.g.: Exercise Price= Rs. 10 per Option / Market Price of share on exercise = Rs. 30 per shares / Perquisite = Rs.30 - Rs.10 = Rs.20/- per share.

• Suppose employee falls in 30% slab, his perquisite tax will be Rs.6/-.

Point 2: If the Employee sells the Shares after holding them for 24 months, then tax on LTCG (Long Term Capital Gain) will be levied and if Shares are sold within 24 months of

holding then tax on STCG (Short Term Capital Gain) will be levied.

E.g.: Sale Price= Rs. 100 per Option / Cost of acquisition = Rs. 30 per shares Capital Gain = Rs.100 - Rs.30 = Rs.70/- per share.

21. Surrender of Options:

21.1 Any Grantee to whom the Options are granted under this Scheme, may at any time, surrender his Options to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

22. Omitted

23. Right to Repurchase the vested rights:

- **22.1** At the time of leaving the Company, the Promoters may buy back the vested rights attached to an Option. The value of such rights, to be paid to the Grantee will be as per the fair market value.
- 22.2 The Options whose rights have been brought backed will be added back to the pool of ungranted Options & pursuant to this the Grantee shall cease to have all rights & obligations over such Options.

24. Arbitration:

- 24.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.
- 24.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Chairman of the Company. The arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and statutory re-enactments or modifications thereof for the time being in force. The decision of the arbitrator shall be final and binding on the Parties. The seat of arbitration shall be Chennai. The arbitration proceedings shall be conducted in the English language. The costs of the arbitration shall be borne by the parties to the dispute in such manner as the arbitrator shall direct in their arbitral award. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Chennai.

25. Governing Law:

- **25.1** This Scheme and all related documents thereunder shall be governed by and construed in accordance with the applicable laws of India.
- 25.2 In case any Options are granted to any Employee being resident outside India belonging to the Company or Subsidiary Company of the Company, as the case may be, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and issue of equity shares thereof.
- 25.3 Any term of the Scheme that is contrary to the requirement of applicable laws shall not apply to the extent it is contrary.

26. Regulatory Approvals:

- 26.1 The implementation of the Scheme, the Granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Grantee / nominee / legal heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme.
- 26.2 The Grantee / nominee / legal heirs under this Scheme will, if requested by the Committee/
 Company, provide such assurances and representations to the Company or the Committee, as
 the Committee may deem necessary or desirable to ensure compliance with all applicable legal
 and accounting requirements.

27. Modification of Scheme:

- **27.1** Subject to shareholder's approval in accordance with applicable laws, the Committee may, at any time:
 - **27.1.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee;
 - **27.1.2** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees.
- **27.2** Make any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Grantees of the Company.
- 27.3 However, post the Listing, the Board may revise any of the terms and conditions of the Scheme to meet any regulatory requirement without seeking shareholders' approval.

28 Confidentiality:

28.1 Notwithstanding anything contained in this Scheme, the Grantee shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the applicable laws or any statutes or regulations applicable to such Grantee.

29 Certificate from Secretarial Auditors

Upon Listing, the Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SEBI (SBEB & SE) Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the Scheme, in the manner specified under the SEBI (SBEB & SE) Regulations.

30 Severability

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

****** End of the Scheme *******

Certified True Copy

For Dr. Agarwal's Health Care Ltd.

A. Thanikainathan Company Secretary