



**JAGSONPAL PHARMACEUTICALS
LIMITED**

EMPLOYEE STOCK OPTION PLAN 2022



JAGSONPAL PHARMACEUTICALS LIMITED
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1. TITLE

This Plan shall be called the Jagsonpal Pharmaceuticals Limited Employees Stock Option Plan, 2022 (“JPL ESOP 2022” or “Scheme” or ‘Plan’).

2. OBJECT

The objective of JPL ESOP 2022 is to reward the Eligible Employees of the Company for their performance and to attract and retain talents in the organization.

This Scheme has been adopted by resolution of the Board of Directors of the Company, with the object of granting, at the discretion of the NRC, to, such of the Company’s / Subsidiary’s Employees as are eligible and qualify under the Scheme, Options to acquire Equity Shares directly from the Company and to be allotted Equity Shares of the Company on Exercise of such Options.

Post the Shareholders’ Approval, the Plan shall come into force on a date (“Effective Date”) to be decided by the Board of Directors through a resolution (which date shall fall after the completion of the transaction for purchase of 1,14,55,500 (one crore fourteen lakhs fifty five thousand five hundred) Equity Shares by Infinity Holdings, Infinity Holdings Sidecar I and Infinity Consumer Holdings from the Seller under the terms of the SPA) and shall continue to be in force until the date on which all of the Options available under the Plan have been Vested and Exercised or till such time the Scheme is terminated as prescribed under Clause 15 of this Scheme or otherwise as per Applicable Law.

3. DEFINITIONS

The following terms as used herein shall have the meaning specified:

- 3.1 “Applicable Law” means every law relating to Employee Stock Options, to the extent applicable, including without limitation to the Companies Act, SEBI Regulations, all relevant tax, securities, exchange control, corporate laws of India or of any other relevant jurisdiction, or rules of any Stock Exchange on which the Shares are to be listed or quoted which deems to include any amendment and re-enactment thereof.
- 3.2 “Act” means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force and rules notified under the Companies Act, 2013.
- 3.3 “Allotment” refers to the issue of Shares by the Company to the Eligible Employees pursuant to Exercise of Options granted to them.
- 3.4 “Associate Company” shall have the meaning as defined under section 2 (6) of the Companies Act, 2013.
- 3.5 “Board of Directors” or “Board” means the Board of Directors for the time being of the Company or any committee thereof.
- 3.6 “Change in Capital Structure” means a change in the capital structure of the Company as a result of re-classification of Shares, splitting up of the face value of Shares, sub-division of Shares, issue of bonus Shares, conversion of Shares into other Shares or Securities of the Company and any other change in the rights or obligations in respect of Equity Shares.





- 3.7 **“Change in Control”** means a transaction for acquisition of more than 50% of the paid up equity share capital of the Company such that it results in change of the majority of the directors constituting the Board of Directors of the Company at any one instance.
- 3.8 **“Control”** shall have the meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 3.9 **“Company”** or **“JPL”** means Jagsonpal Pharmaceuticals Limited bearing corporate identification number (CIN) L74899DL1978PLC009181, a Company existing under the laws of India and having its registered office at T-210 J, Shahpur Jat, New Delhi, Delhi – 110049.
- 3.10 **“Corporate Action”** means one of the following events:
- (i) The merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the shares are converted into or exchanged for:
 - (a) a different class of Securities of the Company; or
 - (b) any Securities of any other issuer; or
 - (c) cash; or
 - (d) other property.
 - (ii) The sale, lease or exchange of all or substantially all of the assets or undertaking of the Company.
 - (iii) The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
 - (iv) 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.
 - (v) Rights issue, bonus issue and others.
 - (vi) Any other event, which in the opinion of the Board has a material impact on the business of the Company, which requires corporate action.
- 3.11 **“Director”** means the Member of Board of Directors of the Company.
- 3.12 **“Effective Date”** shall have the meaning ascribed to such term under Clause 2 of this Scheme.
- 3.13 **“Eligible Employee”** means
- (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-clauses (i) or (ii), of a Group company including Subsidiary or 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;
- 3.14 **“Exercise”** means making an application by an Eligible Employee to the Company for issue of Equity Shares against Vested Options in pursuance of the Scheme.
- 3.15 **“Exercise Date”** means the date on which an Eligible Employee exercises his/her Vested Option to acquire the Equity Shares of the Company.
- 3.16 **“Exercise Period”** means the time period after Vesting within which an Eligible Employee should exercise his/her right to apply for Equity Shares against the Vested Option in pursuance of the Scheme and shall be elaborated in the Option Letter.
- 3.17 **“Exercise Price”** means the price payable by the Eligible Employee for exercising each Option granted in pursuance of the Scheme in accordance with Clause 8.1 of this Scheme.
- 3.18 **“Equity Share”** means an equity share of the Company of the face value of Rs. 5/- (rupees five only) each and 1 (one) vote per equity share.
- 3.19 **“Grant”** means the process by which Company issues Options under the Scheme.
- 3.23 **“Group”** means two or more companies which, directly or indirectly, are in a position to:
(i) exercise twenty-six per cent. or more of the voting rights in the other company; or
(ii) appoint more than fifty per cent. of the members of the Board of Directors in the other company; or
(iii) control the management or affairs of the other company.
- 3.24 **“Long Leave”** shall mean continuous period of leave of more than 3 months, with or without pay, granted in accordance with the Company’s policy or with a due approval from the appropriate authority in the Company.
- 3.25 **“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. If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.
- 3.26 **“Nominee”** means (A) an individual appointed by the Eligible Employee by submitting a letter in the form specified by the Board in this regard, which may be revoked or change any time but before the exercise of Options; (B) if no such nomination has been made in accordance with (A) herein or if the individual nomination is not in existence, then Nominee shall mean the legal heir of the Eligible Employee.
- 3.27 **“Nomination and Remuneration Committee” or ‘NRC’** means the Nomination and Remuneration Committee as constituted by the Board of Directors of the Company in compliance with the provisions of the Act and the Securities and Exchange Board of India (Listing and Disclosure Obligations and Disclosure Requirements) Regulations, 2015.
- 3.28 **“Option”** means the option given to an Eligible Employee which gives such an employee a right to purchase or subscribe to at a future date, the Equity Shares offered by the Company, directly or indirectly, at a pre-determined price.





- 3.29** “**Optionee**” means an Eligible Employee who has been granted an Option under this Scheme and where the context requires shall include the guardian of an incapacitated Eligible Employee and the Nominee of a deceased Eligible Employee.
- 3.30** “**Permanent Incapacity**” means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the NRC based on a certificate of a medical expert identified by such NRC.
- 3.31** “**Promoter**” shall have the same meaning assigned to it under the SEBI (Issue and Capital and Disclosure) Requirements 2018;
- 3.32** “**Promoter group**” shall have the same meaning assigned to it under the SEBI (Issue and Capital and Disclosure) Requirements 2018. Provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company;
- 3.33** “**Relevant Date**” means
- (i) in the case of Grant, the date of the meeting of the NRC on which the Grant is made; or
 - (ii) in the case of exercise, the date on which the notice of Exercise is given to the Company by the Eligible Employee;
- 3.34** “**SPA**” means share purchase agreement dated 21 February 2022 executed between Aresko Progressive Private Limited (acting in capacity as a trustee of the Aresko Progressive Trust and as the representative partner of J&P Investments Partnership) (“**Seller**”), Mr. Rajpal Singh Kochhar, Aresko Progressive Private Limited (acting in capacity as trustee of Aresko Progressive Trust), Infinity Holdings, Infinity Holdings Sidecar I and Infinity Consumer Holdings.
- 3.35** “**SEBI**” means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- 3.36** “**SEBI Regulations**” or “**Regulations**” means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
- 3.37** “**Subsidiary**” means a subsidiary of the Company as defined in the Act.
- 3.38** “**Successor**” of an Optionee means a legal representative of the estate of a deceased Optionee or the person or persons who shall acquire the right to Exercise an Option by operation of law or due to death of the Optionee.
- 3.39** “**Unvested Option**” means an Option in respect of which the relevant Vesting Period has not yet commenced and as such, the Optionee has not become eligible to Exercise the Option.
- 3.40** “**Vesting**” means the process by which the employee becomes entitled to receive the benefit of a grant made to him under the Scheme.
- 3.41** “**Vesting Period**” means the period during which the Vesting of Option granted under the Scheme takes place.
- 3.42** “**Vesting Date**” means the earliest date on which an Optionee may exercise the rights under the Options.





3.43 “Vested Option” means an Option in respect of which the relevant Vesting Period has commenced and the Optionee has become eligible to Exercise the Option.

Words and expressions used and not defined in this Scheme but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013 (18 of 2013) or the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

4. AUTHORITY & IMPLEMENTATION

- 4.1 The shareholders of the Company have vide their resolution dated June 17, 2022 approved the terms of the **JPL ESOP 2022 (“Shareholders’ Approval”)** and authorized the Board to grant employee stock Options to the Eligible Employees in one or more tranches, from time to time as per the Plan.
- 4.2 The Plan shall be implemented by the NRC formed by the Company under the broad policy and framework laid down by the Board of Directors in accordance with the authority delegated to the NRC in this regard from time to time.
- 4.3 All decisions, determinations and interpretations of the NRC shall be final and binding on all Optionees.

5. STOCK SUBJECT TO PLAN

- 5.1 The maximum aggregate number of Equity Shares, which may be subject to Option and Granted under the Scheme to all the Eligible Employees, is 26,19,800 (Twenty Six Lakhs Nineteen Thousand Eight Hundred Only) Equity Shares, with each such Option conferring a right upon the Eligible Employees to apply for one Equity Share in the Company, in accordance with terms and conditions of **JPL ESOP 2022**.
- 5.2 The maximum number of Options that may be granted to one Eligible Employee shall not be more than 10,50,000 Options.
- 5.3 If the Options Granted under the Scheme, are surrendered, forfeited or lapsed under any provision of the Scheme, such Options shall be available for further Grants under the Plan (unless the Scheme is terminated).

6. EFFECTIVE DATE AND PLAN DURATION

The Plan is established and shall be effective as from the Effective Date, and shall continue to be in force until the date on which all of the Options available under the Plan have been Vested and Exercised or till such time the scheme is terminated as prescribed under Clause 15 of this Scheme or otherwise as per Applicable Law.

7. NOMINATION AND REMUNERATION COMMITTEE

- 7.1 The Nomination & Remuneration Committee (NRC) of the Board constituted by the Company pursuant to the provisions of Section 178 of the Act is hereby designated as the ‘Compensation Committee’ for administration and superintendence of the Scheme.
- 7.2 The powers of the NRC, *inter alia*, include the following:





- (i) to determine the Eligible Employees to whom options are to be granted, number of Options to be granted per Employee and in aggregate, the Exercise Price, the Vesting Date, the Vesting schedule and the proportion of Options that shall vest on each of the Vesting Dates and other terms and conditions.
- (ii) to determine the Vesting conditions, that are required to be fulfilled by the Eligible Employees.
- (iii) lay down the terms and conditions based on which the Options Vested in Optionees may lapse, continue, or be retained by Optionees, in case of termination of employment of such Optionees;
- (iv) lay down the terms and conditions based on which Options Vested in Optionees may lapse, in case of voluntary surrender of Options by Optionees;
- (v) lay down the terms and conditions based on which Vested Options may be permitted to be exercised in case of resignation by such Optionees;
- (vi) to determine the Exercise Period within which the Optionee should Exercise the Options and terms on which the Options would lapse on failure to Exercise the same within the Exercise Period;
- (vii) to determine the Vesting Period within which the Vesting conditions should be fulfilled so that the Options vest with the Optionees;
- (viii) to specify the time period within which the Optionees shall Exercise the Vested Options, in the event of resignation by Optionees;
- (ix) lay down, in compliance with Applicable Law, including the SEBI Regulations and the applicable accounting policies, the procedure, mechanism and formula/construct for making fair and reasonable adjustments to the number of Options and/or to the Exercise Price in case of any Corporate Action or pursuant to any Change in Capital Structure, such that it is not prejudicial to the interest of the Optionees;
- (x) to provide for the right of an Optionees to exercise all the Options Vested in him/her at one time or at various points of time within the Exercise Period;
- (xi) to lay down the method for satisfaction of any tax obligation arising in connection with the Options or the Equity Shares;
- (xii) to provide for the Grant / award, Vesting and Exercise of Options in case of Optionees who are on Long Leave;
- (xiii) to formulate terms and mechanism for re-pricing of the Options, whether by way of change in the number of Options or the Exercise Price or both, such that the terms are not prejudicial to the interest of the Optionees;
- (xiv) to lay down the procedure for transfer of benefits granted to the Optionees under the Scheme in the case of transfer/deputation of the Optionees to any Subsidiary or associate company, as applicable;
- (xv) to formulate other detailed terms and conditions of the JPL ESOP 2022 terms in relation to the matters enumerated hereinbefore;
- (xvi) administration and superintendence of the Scheme;





- (xvii) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan and to resolve difficulties and issues arising in connection with the Scheme, if any.

All decisions, determinations and interpretations of the Nomination and Remuneration Committee shall be final and binding on all concerned.

- 7.3 The number of members of the NRC and their powers and functions can be specified, varied, altered or modified from time to time by the Board. The Board may further provide that the NRC shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.
- 7.4 No Member of the NRC shall be personally liable for any decision or action taken in good faith with respect to the JPL ESOP 2022.

8.0 GRANT OF OPTIONS

The NRC may from time to time Grant Options to one or more Eligible Employee(s), which may include recurring Options to the same Eligible Employee. The aggregate number of Equity Shares underlying an Option that may be granted under the Plan shall be decided by the NRC / shall not exceed the limits specified under Clause 5 of this Scheme.

During any one year, no Eligible Employee shall be granted Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of separate special resolution in a General Meeting

Unless otherwise specified in the option letter ("**Option Letter**") and / or in the employee stock option agreement ("**Employee Stock Option Agreement**"), all Grants shall be deemed to have been made effective from the date of the Option Letter. Any Grant agreed to be made to a prospective Employee upon the condition that such person becomes an Employee shall be deemed to have been Granted and shall become effective on the earliest of the dates specified hereinbefore in this paragraph after the date on which such person commences employment with the Company.

The Option Letter shall specify the date of Grant, number of Options granted, the Vesting of the Option, the earliest date on which some or all of the Options under the Grant shall be eligible for Vesting, fulfillment of the performance and other conditions, if any, subject to which Vesting shall take, and the other terms and conditions thereof.

Acceptance of Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the Option Letter within 60 days from the date of the Grant as specified in the Option Letter. On receipt by the Company of the signed acceptance, such Eligible Employee will become an 'Option Grantee'.

Any Eligible Employee who fails to deliver the signed acceptance of the Option Letter on or before the date stated above shall be deemed to have rejected the Grant unless the NRC determines otherwise.

8.1 EXERCISE PRICE

- The Initial Lot of Options will be granted at an Exercise Price of Rs. 235/- (Rupees Two Hundred Thirty Five Only) per Option.





- The Exercise Price for future grants (i.e. other than the Initial Lot of Options) shall be determined by the Nomination and Remuneration Committee at the time of Grant and such price per Option shall not be less than the higher of (a) Rs.235/- (Rupees Two Hundred Thirty Five Only) or (b) up to 20% (twenty per cent) discount to the Market Price.

For the purpose of this clause, Options that will be granted by the Nomination and Remuneration Committee on or before December 31, 2022 will be considered 'Initial Lot of Options'

9. APPRAISALS AND ELIGIBILITY OF AN ELIGIBLE EMPLOYEE

- 9.1 Only the Eligible Employees as determined by the NRC will be granted options under the Scheme.
- 9.2 Neither the Scheme nor any other option scheme shall confer upon any Optionee any right with respect to continuing the Optionees relationship as employee with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, for any reason whatsoever.
- 9.3 The appraisal process shall include evaluation of an employee based on one or more criteria for determining eligibility of the employees to be granted Options, including but not limited to the following:
- i Work related or academic performance of the employee;
 - ii Length of service / position held;
 - iii Potential of the employee to contribute to the Company's / Subsidiary's performance;
 - iv The extent of contribution made by the employee towards business results, achievement of medium to long term performance plans and processes, and customer satisfaction or Employee satisfaction.
 - vi High market value /difficulty in replacement.
 - vii High risk of losing the employee to competition.

10. VESTING OF OPTIONS

The Options granted under the Scheme shall Vest over a maximum period of upto 5 (five) years from the date of Grant, in one or more tranches, subject to the Employee achieving criteria. The criteria, which shall be determined by the NRC including, if so determined by NRC, either tenure based or performance based or a combination of the two, and the Vesting Period (which differ basis respective Optionee) will be specified in the Option Letter to be granted to respective Optionee.

In the event of criteria not being achieved, the NRC will have powers to allow vesting of options in the manner or on such basis as decided by the NRC including on a pro-rata basis. The NRC shall have discretion in modifying the criteria to ensure alignment with the Company's long-term strategy and goals and the industry practice.

There shall be a minimum vesting period of one year from the date of Grant of Option. In the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.

11. EXERCISE OF OPTIONS

- 11.1 Subject to Clause 12, all Vested Options shall be respectively Exercised in one or more tranches within the Exercise Period being a period of one year from the date of Vesting, or such extended period as may be decided by the NRC failing which the Options shall lapse.
- 11.2 The Optionee may Exercise the Options by submitting an application to the Board of Directors/NRC to issue and allot him Equity Shares pursuant to the Exercise of Vested Options accompanied by payment of an





amount equivalent to the Exercise Price for each Vested Option.

- 11.3 The Scheme does not contemplate cashless Exercise of Options and the Company does not intend to arrange funding for the Exercise of Options granted under the Scheme.

The Company may permit the empanelled stock brokers to make suitable arrangements to fund the Eligible Employee for payment of Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to Exercise of Options granted under the Scheme.

- 11.4 Except as otherwise provided, payment of the Exercise Price for the Equity Shares to be acquired pursuant to Exercise of Options shall be made either by:

- (i) Cheque payable at the registered office of the Company;
- (ii) Through direct bank transfer to the Company's bank account;
- (iii) The Optionee's authority to the Company to deduct such amount from his salary due and payable;
- (iv) Such other consideration as may be approved by the NRC from time to time to the extent permitted by applicable law; or
- (v) A combination of any two or more of the above mentioned methods.

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

- 11.6 The Optionee shall appoint any person(s) as Nominee(s) for the purpose of Exercising the rights on his death, subject to the terms and conditions of the Plan. The Optionee shall appoint such Nominee(s) by submitting a letter in the form specified by NRC in this regard. The Optionee has the right to revoke/change such nomination. The Nominee(s) shall alone be entitled to Exercise the rights of the Optionee concerned in the event of the death of the Optionee.

- 11.7 Notwithstanding anything contained elsewhere in the Plan, NRC and / or the Board may:

- (i) Not permit the Exercise of any Options (whether Vested or not) granted to an Eligible Employee, in the event of the Eligible Employee being found to be involved in fraud, misfeasance, misconduct, gross negligence, breach of trust, etc. and in such an event the rights under the Options (whether Vested or not) shall lapse, forthwith, without any claim on or recourse to the Company.
- (ii) If the Exercise of Options within the Exercise Period, is prevented by any law or regulation in force, defer or not permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Optionee for any loss suffered due to such refusal.

Provided further that the Board and / or NRC shall have the power to cancel all or any of the Options granted under the Plan if so required under any law for the time being in force or the order of any jurisdictional court or tribunal. In the event of any such cancellation, no compensation shall be payable to the Optionee for such cancelled Options.

- 11.8 In the event of Long Leave, (a) the Eligible Employee can exercise the Options through a duly constituted attorney of such employee or (b) within a period of 30 days or such other extended date as the NRC may decide from the date on which the Optionee joins back the office after such Long Leave.





12. CESSATION OF EMPLOYMENT

- 12.1 In the event of an Optionee ceases to be in the service of the Company, except due to death, or Permanent Incapacity, the Optionee shall be dealt with as under:

In a case where the employment of an Optionee is terminated due to Cause (defined herein), all Options which are Vested or unvested, on the date of termination shall stand cancelled forthwith and that Optionee shall not be permitted to Exercise any right to apply for Equity Shares in respect of Options granted to him.

For the purposes of this sub-article, date of the cessation of employment of an Optionee shall mean the date of termination of the employment specified by the Company in the letter of termination issued to that Optionee.

“Cause” shall mean, as determined by the NRC,

- (i) The continued failure of the Optionee to substantially perform his duties to the Company (other than any such failure resulting from retirement, death or disability as provided below); or
 - (ii) The engaging by the Optionee in willful, reckless or grossly negligent misconduct which is determined by NRC to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise; or
 - (iii) Fraud, misfeasance, breach of trust or wrongful disclosure by the Optionee of any secret or confidential information about the Company; or
 - (iv) The Optionee commits an act of insolvency; or
 - (v) The Optionee is convicted by court of any offence; or
 - (vi) The Optionee found to be involved in any activity of morale turpitude.
- 12.2 In case of resignation by an Optionee, all Vested Options on the date of resignation shall be Exercised by the Optionee before the expiry of 30 days from the date of tendering resignation or before the last day of employment, whichever is later, failing which all the Options that are yet to be Exercised shall expire. All the Options which are Granted and yet not Vested as on the date of tendering of resignation, shall expire.
- Provided further that NRC shall have full power and authority to relax any of the conditions and provisions of Article 12.2, in case of an Optionee who resigns from service of the Employer to join its Subsidiary or of its Holding Company or any associate company or a Group Company.
- 12.3 In the event of separation from employment due to retirement or superannuation, Options granted to an Eligible Employee would continue to Vest in accordance with the respective Vesting schedules even after retirement or superannuation in accordance with this Scheme, Company's policies and the applicable law.
- 12.4 In the event of cessation of employment by death or Permanent Incapacity of an Optionee whilst in employment, all Options granted to such Optionee till the date of death or Permanent Incapacity, shall Vest in him /her / Nominee, as applicable, on that day. All Options which are Vested Options on the date of death or Permanent Incapacitation shall be Exercisable by the Optionee / Nominee, as the case may be, before the expiry of one year from the date of the Death or termination of employment due to Permanent Incapacity of such Optionee, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- 12.5 Notwithstanding anything contained in this Plan, the Nomination and Remuneration Committee will have powers to decide on Permanent Incapacitation of any Eligible Employee on a case to case basis.

13. TERMS AND CONDITIONS OF SHARES





- 13.1 All Equity Shares acquired under the Plan will rank *paripassu* with all other Shares of the Company for the time being in issue, save as regards any right attached to any such Shares by reference to a record date prior to the date of Allotment.
- 13.2 Neither an Optionee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Equity Shares for which the Option is exercised until the Company allots such Equity Shares.
- 13.3 **Lock-in:** The Equity Shares arising out of the Exercised and Vested Options shall not be subject to any lock-in after such Exercise.

However, the transferability of the Equity Shares after listing shall be subject to the restriction for such period in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 as amended and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

14. ADJUSTMENTS UPON CHANGES IN CAPITALISATION, MERGER OR ASSET SALE.

14.1 Changes in Capitalization:

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

In case of share split or consolidation, if the revised face value of the Equity Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of shares available for being issued under JPL ESOP 2022 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of shares X face value per share) prior to such share split or consolidation remains unchanged after such split or consolidation. Thus for example if the prevailing face value of each Equity Share is Rs.5 per share and revised face value after the share consolidation is Rs.10 per Equity Share, the total number of Equity Shares available under JPL ESOP 2022 would be (shares reserved under sub clause 5.1) divided by 2. Similarly, in case of bonus issue, etc. the available no of shares under JPL ESOP 2022 shall be revised.

14.2 Dissolution or Liquidation:

In the event of the proposed dissolution or liquidation of the Company, the NRC shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The NRC in its discretion may provide for an Optionee to have the right to Exercise his or her Option until fifteen (15) days prior to such transaction as to all of the Options covered thereby, including Equity Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.

14.3 Merger or Sale:

- 14.3.1 In the event of a merger of the Company into another corporation whereby the Company ceases to exist ("Merger"), or the sale of all or substantially all of the businesses (in totality) or undertakings (in totality)





of the Company ("Sale"), each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, then all the outstanding Options shall fully Vest in and the Optionee shall have the right to Exercise the Option as to all of the Options, as to which it would not otherwise be Vested or Exercisable. If an Option becomes fully Vested and Exercisable in lieu of assumption or substitution in the event of a Merger or Sale, the NRC shall notify the Optionee in writing that the Option shall be fully exercisable for a period as may be determined by the NRC in that regard which shall not be less than 30 (thirty) days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the Merger or Sale, the Option confers the right to purchase or receive, for each Equity Share subject to the Option immediately prior to the Merger or Sale, the consideration (whether stock, cash, or other securities or property) received in the Merger or Sale by holders of Equity Shares for each Equity Share held on the effective date of the transaction (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Equity Shares); provided, however, that if such consideration received in the Merger or Sale is not solely equity shares (or their equivalent) of the successor corporation or its parent or Subsidiary, the NRC may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Equity Share subject to the Option, to be solely equity shares (or their equivalent) of the successor corporation or its parent or Subsidiary equal in fair market value to the per Equity Share consideration received by holders of Equity Share in the Merger or Sale.

- 14.3.2 In the event of sale of any Subsidiary (in its entirety) of the Company, or sale of all or substantially all of the businesses (in totality) or undertakings (in totality) of a Subsidiary resulting in any Optionee ceasing to be an employee of the Subsidiary, the Nomination and Remuneration committee will have the powers to decide on acceleration of any unvested Options held by any Eligible Employee of such Subsidiary on a case to case basis.

14.4 Change of Control:

In the event of Change in Control, all unvested Options shall vest on the date of Change in Control or one year from the date of grant, whichever is later.

15.0 AMENDMENT OR TERMINATION OF THE PLAN

- 15.1 Subject to such approvals as may be required, the NRC may at any time amend, alter or vary the terms of the Plan and/or the terms of the Options (including Option Letters) already granted under the Plan subject to the condition that such amendment, alteration, or variation as the case may be is not detrimental to the interest of the Optionees.

Provided further that the Board will not, without the approval of the shareholders by a special resolution, amend the Plan to increase the aggregate number of Equity Shares, which may be issued pursuant to the provisions of the Plan on Exercise or surrender of Options.

- 15.2 Without prejudice to the above, the Board of Directors, may, without any reference to or consent of the Eligible Employee concerned, amend the Plan, the terms of the Options (including Option Letters) or Grant to comply with any law, regulation or guideline, which is or may hereinafter, become applicable to this Plan.

16. STATUTORY APPROVALS

- 16.1 The Plan shall be subject to approval by the shareholders of the Company by way of a special resolution and such other regulatory authorities, as may be applicable, from time to time.





16.2 The explanatory statement to the notice and the resolution proposed to be passed by shareholders for the Scheme shall include such information as required under Applicable Laws.

17 LISTING

17.1 Equity Shares issued under the Scheme shall be listed immediately in the Stock Exchanges where the Company's shares are listed.

17.2 The Company shall obtain the in-principle approval of the stock exchanges where it proposes to list the said Equity Shares.

18 ACCOUNTING POLICIES

The Company will value the Options at fair value as prescribed under the 'Indian Accounting Standard (Ind AS) 102 Share-based Payment' or the relevant accounting standards as may be prescribed by the relevant authorities from time to time.

19. OTHERS

19.1 No Right to any Option:

Neither the adoption of the Plan nor any action of the Board of Directors or NRC shall be deemed to give an employee any right to be granted any Option or to acquire Equity Shares or to any other rights, nor shall it create any right in any employee to claim any new stock option as a matter of right.

19.2 No Employment Rights Conferred:

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

- (i) give or confer upon such Eligible Employee any right for continuation of any employment with his Employer; or
- (ii) Interfere in any way with the right of the Employer to terminate the employment of such Eligible Employee at any time and for any reason whatsoever.

19.3 Surrender of Options:

An Eligible Employee may surrender his Vested / unvested Options at any time during his/her employment with the Company / Subsidiary.

Any Eligible Employee willing to surrender his/her Options shall communicate the same to the Company. Thereafter the surrendered Options shall expire with effect from the date of surrender of Options and become available for future grant under the Scheme (unless the Scheme has been terminated).

20. BUYBACK





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

21. TAX DEDUCTION AT SOURCE AND TAX RECOVERY:

All Options granted under this Plan shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to Optionee in this Plan/Scheme (in or outside India), if any, and the Company or Board or NRC, accordingly, may withhold / recover such taxes and/ or levy and/ or contribution and/ or payment in full unless NRC decides to withhold in part.

Notwithstanding anything contained in this Plan, if the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment of the Equity Shares or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company (in or outside India), then such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the NRC at its sole discretion decides to recover in part from the Optionee / Nominee.

Notwithstanding anything else contained in this Plan therein, no Equity Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Optionee / Nominee, on Exercise of the Options under this Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the NRC at its sole discretion decides to recover only a part of the same from the Optionee or Nominee.

22 NO RESTRICTION OF CORPORATE ACTIONS

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

Nothing contained in the Plan shall be construed to prevent the Company from taking any Corporate Action, which it deems appropriate or in its best interest.

23. CONFIDENTIALITY

The Optionee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan. The Optionee shall not divulge the details of the Scheme and his holdings to any person except with the prior permission of the Company obtained in writing.

The Optionee agrees and undertakes to keep all aforementioned information confidential by using a reasonable degree of care, but not less than the degree of care used by it in safeguarding its own confidential information; and not disclose any information related to the Scheme to any third parties.

Any violation of this confidentiality clause may result in cancellation of the offer without prejudice to the other action, which may be taken in this regard.





24. INSIDER TRADING

The Optionee shall ensure that there is no violation of applicable regulations for the prevention of “insider trading” in Shares and Securities and for prevention of fraudulent and / or unfair trade practices relating to the Securities market.

The NRC shall be entitled to frame such rules; regulations as may be necessary to ensure that there is no violation of the above referred regulations and / or practices.

The Optionee shall indemnify and keep indemnified the Company / Board / NRC in respect of any liability arising as a result or consequence of the violation of the above provisions by the Eligible Employee.

25. NEW PLANS

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

26. RESTRICTION ON TRANSFER OF OPTIONS

An Option shall not be transferable and shall be exercisable during the Exercise Period only by such Optionee or in case of death, by the legal heirs of the deceased Optionee. An Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

27. PLAN SEVERABLE

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

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

28. DIVIDEND

An Optionee shall be entitled to receive any dividend declared by the Company in respect of the Equity Shares issued pursuant to the Options Granted to him, provided that the Optionee has Exercised the Options and has become a registered shareholder of the Company.

29. NOTICES

Any notice required to be given by an Optionee to the Company or any correspondence to be made between an Optionee and the Company may be given or made to the Company at the registered office of the Company in writing.

30. ARBITRATION

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





31. GOVERNING LAW

This Plan and all agreements /documents there under shall be governed by and construed in accordance with the applicable laws in India.

For **JAGSONPAL PHARMACEUTICALS LIMITED**



Nandita Singh
Company Secretary

Place: New Delhi
Date: July 21st, 2022