



**Emcure Pharmaceuticals Limited**

**EMCURE - EMPLOYEE STOCK OPTION SCHEME 2013**

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## 1. Name, Objective and Term of the Scheme:

- 1.1 This scheme shall be called the Emcure - Employee Stock Option Scheme 2013 (“**Emcure ESOS 2013**” or “**Scheme**”).
- 1.2 Emcure Pharmaceutical Limited (“**Company**”), a company incorporated under the Companies Act, 1956, and having its registered office at Maharashtra, India, has structured this Scheme for the Employees. The objective of this Scheme is to reward the Employees for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization. The Company views employee stock options as instruments of wealth creation that would enable Employees to share the value they create for the Company in the years to come and to align the interest of the Employees with the interests of the shareholders.
- 1.3 The Emcure ESOS 2013 is established with effect from June 14, 2013 and shall continue to be in force until (i) its termination by the Board/ Nomination and Remuneration Committee; or (ii) the date on which all of the Options available for grant under the Emcure ESOS 2013 have been granted and exercised.
- 1.4 The Board/ Nomination and Remuneration Committee may subject to compliance with Applicable Law, at any time alter, amend, suspend or terminate the Emcure ESOS 2013.

## 2. Definitions and Interpretation

### 2.1 Definitions

- i “**Agreement/ Option Agreement**” means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option Grant. This Agreement is subject to the conditions of the Emcure ESOS 2013.
- ii “**Applicable Law**” means the laws relating to Employee Stock Options, including but not limited to the Companies Act, 2013 and the rules made thereunder, as amended, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any Recognised Stock Exchange where the shares of the Company are or will be listed or quoted.
- iii “**Associate Company**” shall have the same meaning as defined under section 2(6) of the Companies Act, 2013.

- iv **“Board” or “Board of Directors”** means the board of directors of the Company.
- v **“Companies Act”** means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- vi **“Company”** means “Emcure Pharmaceuticals Limited”.
- vii **“Company Policies/Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the employment letter and the human resource employee manual, which includes provisions for securing confidentiality, non- compete and non-solicitation of employees and customers.
- viii **“Control”** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
- ix **“Committee” or “Nomination and Remuneration Committee”** means Nomination and Remuneration Committee as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and section 178 of the Companies Act, 2013, each as amended, constituted by the Board to administer Emcure ESOS 2013.
- x **“Director”** means a member of the Board of the Company.
- xi **“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 clauses (i) or (ii) of a group company including a 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 percent of the outstanding equity shares of the Company.
- xii **“Employee Stock Option” or “Option”** means the options Granted to an Employee, which gives such Employee a right, but not an obligation, to purchase or subscribe at a future date the Shares offered by the Company, directly or indirectly, at a pre-determined Exercise Price.

- xiii **“Exercise”** means making of an application by an Employee to the Company for issue of Shares against the Options vested in him, in pursuance of the Emcure ESOS 2013, in accordance with the procedure laid down by the Company for Exercise of Options.
- xiv **“Exercise Period”** means such time period after Vesting within which the Employee can Exercise his right to apply for Shares against the Options Vested to him in pursuance of the Emcure ESOS 2013.
- xv **“Exercise Price”** means the price, payable by an Employee in order to Exercise the Options Granted to him in pursuance of the Emcure ESOS 2013.
- xvi **“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 relevant date. In case Shares are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having highest trading volume shall be considered as the market price.
- xvii **“Grant”** means the process by which the Company issues Options to the Employees under the Emcure ESOS 2013.
- xviii **“Grant Date”** means the date on which the Committee approves the Grant.

For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- xix **“Letter of Grant”** means the letter issued by the Company intimating an Employee about the Grant of Options to him for acquiring a specified number of Shares at the Exercise Price.
- xx **“Misconduct”** means any of the following:
- committing of any act of misconduct warranting summary termination under law; or
  - conduct which in the reasonable opinion of the Board amounts to a serious breach by an Employee and/or director of the obligation of trust and confidence to his employer; or
  - a finding by the Board that an Employee and/or director has committed any material or consistent breach of any of the terms or conditions of an employee’s and/or director’s service agreement including any willful neglect

of or refusal to carry out any of his duties or to comply with any instruction given to him by the Board; or

- being convicted of any criminal offence (other than an offence under any road traffic legislation for which a penalty of imprisonment cannot be imposed); or
  - being disqualified from holding office in the Company or any other company under any legislation or to be disqualified or disbarred from membership of, or be subject to any serious disciplinary sanction by, any regulatory body, which undermines the confidence of the Board in the individuals continued employment; or having acted or attempted to act in any way which in the opinion of the Board has brought or could bring the Company or any other Group Company into disrepute or discredit; or
  - breach of any Company Policies/ Terms of Employment; or
  - Any other point not included above but defined in the Company rules or employee handbook and / or employment agreement.
- xxi **“Option Grantee”** means an Employee having a right but not an obligation to exercise an Option in pursuance of the Emcure ESOS 2013.
- xxii **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Committee.
- xxiii **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxiv **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxv **“Recognised Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956, as amended.

- xxvi **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013.
- xxvii **“Relevant date”** means -
- i in the case of Grant, the date of the meeting of the Committee 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 or to the trust by the Employee
- xxviii **“Retirement”** means retirement as per the rules of the Company.
- xxix **“Scheme / Emcure ESOS 2013”** means this Employee Stock Option scheme under which the Company is authorised to Grant Employee Stock Options to the Employees as amended from time to time.
- xxx **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and includes all guidelines and clarifications issued there under.
- xxxi **“Shares”** means equity shares of face value of Rs. 10 each of the Company.
- xxxii **“Subsidiary”** means any present or future subsidiary company (including any level of step down subsidiary) of the Company, as defined in the Companies Act.
- xxxiii **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxiv **“Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant, in pursuance of the Emcure ESOS 2013. The terms “Vest”/ “Vested” shall be construed accordingly.
- xxxv **“Vesting Conditions”** means any condition subject to which the Options Granted would Vest in an Option Grantee.
- xxxvi **“Vesting Period”** means the period during which the Vesting of the Employee Stock Option Granted to the Employee, in pursuance of the Emcure ESOS 2013, takes place, and as may be amended by the Committee from time to time.

xxxvii **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.

## 2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to an Annexure includes a reference to any part of that Annexure which is incorporated by reference.

## 3. Share Pool

3.1 The Emcure ESOS 2013 was originally formulated and approved by the shareholders of the Company in their meeting held on June 14, 2013. The shareholders of the Company, vide their special resolution passed through Postal Ballot on December 23, 2024 have approved the amended Scheme for increase in the pool size to Grant stock options to the eligible Employees of the Company under the Emcure ESOS 2013, in one or more tranches, not more than 9,454,917 Options convertible into 9,454,917 Shares, representing 5% of paid-up equity share capital of the Company as on date, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such Grant. The number of Shares in the Option pool may exceed 9,454,917 Shares, subject to prior approval from the shareholders, however will not exceed 5% of the paid-up equity capital on such date of shareholders' approval.

3.2 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with Applicable Laws. The Committee will have powers to re-grant such Options.



- 3.3 Where Shares are issued consequent to Exercise of an Employee Stock Option under the Emcure ESOS 2013, the maximum number of Shares that can be issued under the Emcure ESOS 2013 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.3.1 No identified Employee(s) shall be Granted, in any year, Options equal to or more than 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company as on the date of Grant of Option. Notwithstanding the foregoing, pursuant to a separate resolution passed by the members of the Company in the General Meeting, the Committee may Grant to the identified Employee(s) mentioned in such separate resolution, Options aggregating to Shares equal to or exceeding 1% of the issued share capital (excluding outstanding warrants and conversions) as on the date of the Grant.
- 3.3.2 In case of a share-split where the face value of the Shares is reduced below Rs. 10, the maximum number of shares available for being Granted under the Emcure ESOS 2013 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split.
- 3.3.3 In case of a consolidation where the face value of the Shares is increased above Rs. 10, the maximum number of Shares available for being Granted under the Emcure ESOS 2013 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the Share consolidation.
- 3.3.4 The approval of shareholders by a separate resolution shall be obtained by the Company in case of Grant of option to employees of subsidiary or holding company.

#### **4. Administration**

- 4.1 The Emcure ESOS 2013 shall be administered by the Committee. All questions of interpretation of the Emcure ESOS 2013 or any Employee Stock Option shall be determined by the Committee and such determination shall be final and binding upon all Employees and other persons having an interest in the Emcure ESOS 2013.
- 4.2 The Committee shall, *inter-alia*, have power to determine the following:
- (a) Formulate and adopt suitable forms, rules, regulations, policies and procedures for implementing this Scheme from time to time including in accordance with the provisions as specified in Part B of Schedule – I of the SEBI SBEB Regulations.

- (b) The quantum of Employee Stock Options and Shares to be Granted under the Emcure ESOS 2013 per Employee, in each Grant subject to the ceiling as specified in clauses 3.1 and 3.3;
- (c) Identify the Employees eligible to participate under this Scheme;
- (d) Grant Options to the identified Employees and determine the Grant Date under this Scheme.
- (e) Determine the number of Options to be Granted to each Option Grantee and in aggregate under this Scheme.
- (f) Determine the method for Exercising the Vested Options and Exercise Period, etc. under this Scheme and that Options would lapse on failure to Exercise within the Exercise Period.
- (g) Determine the terms and conditions, not inconsistent with the terms of this Scheme of any Options Granted hereunder and, subject to Applicable Laws, modify or add to all or any of the rights and obligations of the Option Grantee / participant / beneficiary, including right of an Option Grantee to exercise all the Options Vested at one point of time or at various points of time within the Exercise Period.
- (h) Determine the terms and conditions under which Options may vest in Employees and the Vested Options can lapse in case of termination of employment for Misconduct under this Scheme.
- (i) Determine the specified time period within which the Employee shall exercise the Vested Options in the event of termination or resignation.
- (j) Determine the Grant, Vesting and Exercise of Options by Employees who are on long leave.
- (k) Construe and interpret the terms of this Scheme and the Options Granted pursuant to this Scheme.
- (l) Formulate various and / or separate sets of special terms and conditions in addition to those set out herein or in the terms of any Grant or Option, to apply to any Option Grantee(s) / participant(s) / beneficiary / (ies) or sets of Option Grantee(s) / participant(s) / beneficiary / (ies);

- (m) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and Exercise Price in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues, buyback and others;
- (n) The procedure for formation of ESOS Trust and implement the Scheme through ESOS Trust, if required;
- (o) The procedure for cashless exercise of Employee Stock Options, if required;
- (p) The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company/ the Trust and its Employees, as applicable.
- (q) Any other specific function as may be delegated to it by the Board of Directors and / or as may be required to be performed under the SEBI SBEB Regulations.

## **5 Eligibility and Applicability**

- 5.1 The Company / Board / Committee, at their discretion, will decide, on the basis of duration of service, grade, performance, technical knowledge, leadership quality, merit contribution, conduct, future potential and such other factors whatsoever as they may deem appropriate, which Employees or class of Employees should be regarded as eligible Employee under this Scheme and accordingly, the Company /Committee may offer Options to the identified Employees under this Scheme.

## **6 Grant of Options**

- 6.1 The Options shall be Granted in accordance with this Scheme.
- 6.2 The Letter of Grant besides other terms and conditions, shall specify the number of Options Granted, the Vesting Period, the Vesting Schedule, the Vesting Conditions, the Exercise Price, and the Exercise Period and procedure in connection with the Grant of Options to the Employee.
- 6.3 The Closing Date shall be determined by the Committee and, unless the Committee otherwise determines, and shall in no case be more than two months from the Grant Date.

- 6.4 No person, other than the Employee to whom the Option is Granted shall be entitled to the benefit arising out of the Option. A Grant made under Clause 6.2 above, is personal to the Grantee and cannot be transferred, or assigned in any manner whatsoever, except as provided under Clause 8.3.
- 6.5 The Letter of Grant will set out the terms and conditions of the Grant of Options to the Employee in accordance with the Emcure ESOS 2013. If the Employee wishes to accept the Grant made by the Committee, then he shall communicate his acceptance to the Committee and by signing the same within 15 days from the date of receipt of the Grant or such other extended date as may be determined by the Committee ("**Closing Date**"), subject to Clause 6.3. If not signed, the Grant shall be deemed to have not been accepted in which case such Grant shall lapse and the Employee shall not have any right over such Grant.
- 6.6 Subject to the terms contained herein, the acceptance in accordance with this Clause 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.
- 6.7 The detailed procedure for Grant and Acceptance of Options has been mentioned in **Annexure– I**.

## **7 Vesting Schedule / Conditions**

- a) Options Granted under Emcure ESOS 2013 would vest within a period not less than one year and not more than five years from the Grant Date of such Options, as set out in the Grant Letter. Vesting of Options would be subject to compliance with the terms of this Scheme and continued employment with the Company.
- b) In case where Options are Granted by the Company under the Scheme in lieu of Options held by an Employee under an Employee Stock Option scheme in another company which has merged, demerged, arranged or amalgamated with the Company, the period during which the Options Granted by the transferor company were held by such employee shall be adjusted against the minimum Vesting Period required under (a) above or as stipulated under Applicable Law.
- c) In the event of death or Permanent Incapacity of an Employee, the minimum Vesting Period of one year shall not be applicable and in such instances, the Options shall Vest in terms of Clause 8.3 in the Scheme.

d) In addition to this, the Committee may also specify certain performance parameters subject to which the Options would Vest. The specific Vesting Schedule and conditions subject to which Vesting would take place would be outlined in the Letter of Grant given to the Option Grantee at the time of Grant of Options.

## 8 Exercise of Options

8.1 Unless the Committee determines otherwise, whether generally or in respect of any specific Options, the Exercise Price of the Vested Option will be higher of:

- the closing Market Price of the Shares on the Grant Date; or
- the Book Value of the Shares as per the last audited balance sheet as on the Grant Date.

Provided, the Exercise Price of the Vested Option shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations as set forth under Section 18 of this Scheme.

8.2 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft or Pay order drawn in favour of the Company or in such other manner as the Committee may decide.

8.3 The Options can be exercised as per the provisions outlined in the table below:

<b>Vested Options*</b>		
1.	<b>While in Employment (including sanctioned long leave)</b>	Can be Exercised within a period of five years from the date of Vesting.
2.	<b>Resignation / Termination (other than due to Misconduct [as defined in clause 2.1 (xx)] or breach of the Company's Policies/ Terms of Employment.)</b>	All Vested Options as on that date shall be Exercisable by the Option Grantee before his last working day with the Company.
3.	<b>Termination due to Misconduct [as defined in clause 2.1 (xx)] or due to breach of Company's Policies / Terms of Employment.</b>	All Vested Options which were not Exercised at the time of such termination of employment shall stand cancelled with effect from the date of such termination of employment.

4.	<b>Retirement / Early Retirement approved by the Company</b>	All Vested Options can be Exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement, or within such time period as may be decided by the Committee (whose determination will be final and binding).
5.	<b>Death</b>	All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death of the Option Grantee, or within such time period as may be decided by the Committee whose determination will be final and binding.
6.	<b>Termination due to Permanent Incapacity</b>	All Vested Options may be Exercised by the Option Grantee or, in case of his death due to such Permanent Incapacity, the nominee or legal heirs, immediately after, but in no event later than six months from the date of such incapacity, or within such time period as may be decided by the Committee whose determination will be final and binding.
7.	<b>Abandonment**</b>	All the Vested Options shall stand cancelled.
8.	<b>Separation due to reasons other than those mentioned above</b>	The Committee will decide whether the Vested Options on the date of separation can be exercised by the Employee or not and such decision shall be final.
<b>Unvested Options</b>		
1.	<b>While in Employment (including sanctioned long leave)</b>	The Options would continue to Vest as per the original Vesting Schedule.
2.	<b>Resignation / Termination (other than due to Misconduct [as defined in clause 2.1 (xx)] or breach of Company's Policies/Terms of Employment.)</b>	All Unvested Options on the last working day shall expire/ stand cancelled with effect from that date.
3.	<b>Termination due to Misconduct [as defined in clause 2.1 (xx)] or due to breach of Company Policies/ the Terms of Employment</b>	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.

4.	<b>Retirement / superannuation/ early retirement approved by the Company</b>	All Unvested Options will continue to Vest as per the original Vesting schedule as on the date of such retirement/ superannuation/ early retirement approved by the Company.
5.	<b>Death</b>	All Unvested Options as on the date of death shall Vest immediately and may be Exercised by the OptionGrantee's nominee or legal heirs immediately after, but in no event later than six months from the date of death, or within such time period as may be decided by the Committee whose determination will be final and binding.
6.	<b>Termination due to Permanent Incapacity</b>	All the Unvested Options as on the date of such Permanent Incapacity shall Vest immediately and can be exercised by the Option Grantee or, in case of his death due to such Permanent Incapacity, the nominee or legal heirs immediately after, but in no event later than six months from the date of termination of employment of the Option Grantee on account of Permanent Incapacity, or within such time period as may be decided by the Committee.
7.	<b>Abandonment**</b>	All the Unvested Options shall stand cancelled.
8.	<b>Separation due to reasons other than those mentioned above</b>	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*\*Subject to the maximum exercise period approved by the Board/ Committee of the Company from the date of Vesting of Options.*

*\*\* The Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.*

8.4 In the event of transfer of an Employee from the Company to the holding or Subsidiary, the Unvested Options as on the date of transfer, will continue to Vest as per the original schedule and be exercised, subject to the compliance of the Applicable Laws.

8.5 In the event that an Employee, who has been Granted benefits under the Scheme, is transferred or deputed to an Associate Company prior to Vesting or Exercise, the Vesting

and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.

- 8.6 In the event of transfer of an Employee pursuant to a scheme of arrangement, amalgamation, merger or demerger, the treatment of Options in such cases shall be specified in the scheme of arrangement, amalgamation, merger or demerger, and should not be prejudicial to the interest of the Employee.
- 8.7 If prior to listing of Shares on a Recognised Stock Exchange and subject to the completion of one year Vesting Period from the Grant Date, a new Investor intends to buy fresh Shares of the Company and is willing to provide liquidity to the Option Grantees in full or in part, then the Option Grantees who are in employment of the Company as on the date of issue of Investment Notice (as explained below) shall have the right but not the obligation, to Exercise the Vested Options, in full or in part, to the extent the Investor is willing to provide liquidity, and sell all the Shares arising by virtue of such Exercise to the new Investor.

The Company shall give a written notice ("**Investment Notice**") to the Option Grantees containing the Share issue price and an offer to Exercise the Vested Options. **Refer Annexure – II for format of "Investment notice"**.

## **9 Lock in Period**

- 9.1 Post listing of the Shares of the Company on a Recognised Stock Exchange, Option Grantees who are Employees of the Company and who have Exercised the Options can sell Shares in the open market at any time subject to Applicable Law. The Shares shall not be subject to any lock in period, except as may be required under Applicable Law.

## **10 Change in Control**

### **10.1 Definitions**

- 10.1.1 An "**Ownership Change Event**" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single transaction by the shareholders of the Company of more than fifty percent (50%) of the voting shares of the Company; (ii) a merger or consolidation in which the Company is a party where the shareholders of the Company do not control a majority of the shares; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.



10.1.2 A **“Change in Control”** shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a **“Transaction”**) wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Company or the corporation or corporations to which the assets of the Company were transferred (the **“Transferee Corporation(s)”**), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporations which, as a result of the Transaction, own the Company or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Board shall have the right to determine whether multiple sales or exchanges of the voting shares of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

10.2 **Effect of Change in Control on Options.** In the event of a Change in Control, the surviving, continuing, successor, or purchaser or parent company of the purchaser thereof, as the case may be (the **“Acquiring Company”**), may either assume the Company's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent Options for the Acquiring Company's stock. For purposes of this clause, an Option shall be deemed assumed if, following the Change in Control, the Option Grantee is conferred the right to purchase in accordance with its terms and conditions, for each share of stock subject to the Option immediately prior to the Change in Control, the consideration (whether stock, cash or other securities or property) to which a holder of a share of Stock on the effective date of the Change in Control was entitled. Any Options which are neither assumed or substituted for by the Acquiring Company in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of an Option prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the Option Agreement evidencing such Option except as otherwise provided in such Option Agreement.

10.3 For complete clarity, any Change in Control will not trigger an accelerated Vesting of the Options. If the Committee chooses to, they can provide for an accelerated Vesting after 18 months from Change in Control date.

## 11 Other Terms and Conditions

11.1 This Scheme shall be approved by the Shareholders of the Company as per the provisions of Applicable Law, for the purpose of any Grant of Options to be made pursuant to this

Scheme. No change shall be made in the terms of the Scheme unless prior approval of the shareholders, by way of special resolution, is taken for such a change, except in case of change in the terms of the Scheme to meet any regulatory requirement or as a result of any adjustments for corporate actions made in accordance with the SEBI SBEB Regulations.

- 11.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 11.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.
- 11.4 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. The Committee shall determine the procedure to make a fair and reasonable adjustment to the entitlement including adjustment to the number of Options or the Exercise as set forth under the SEBI SBEB Regulations.
- 11.5 Employee Stock Options shall not be transferred or assigned, to any person except in the event of death of the Option Grantee or inability to exercise the Option due to Permanent Incapacity, in which case clause 8.3 would apply.
- 11.6 No person other than the Employee to whom the Employee Stock Option is Granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder or inability to exercise due to Permanent Incapacity, in which case clause 8.3 would apply.

## **12 Taxation**

- 12.1 The liability of paying taxes if any, in the Employee Stock Option Granted pursuant to this Scheme and the Shares issued pursuant to Exercise of the Option shall be the sole responsibility of the Option Grantee and shall be in accordance with the provisions of The Income tax Act, 1961 and the rules framed thereunder.
- 12.2 The Company shall have the right to deduct from the Employee's salary, any of the Employee's tax obligations arising in connection with the Employee Stock Options or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

## 13 Miscellaneous

### 13.1 Regulations

- a. This Emcure ESOS 2013 shall be subject to all Applicable Laws, or Regulations, Circulars, Guidelines, as amended from time to time, and approvals from governmental authorities. The Grant and the issue of Shares under this Scheme shall also be subject to the Company requiring Employees to comply with all Applicable Laws.
- b. **Disclosures:** In addition to the information that the Company is required to disclose in relation to employee benefits under the Companies Act, the Board of Directors of the Company shall also disclose the details of the Scheme as specified in Part F of Schedule – I of the SBEB Regulations.
- c. **Certificate from auditors:** The Board, at each annual general meeting, shall place before the shareholders a certificate from the secretarial auditors of the Company confirming that the Scheme has been implemented in accordance with SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.
- d. **Listing:** In case a new issue of Shares is made under the Scheme, Shares so issued shall be listed immediately on all Recognised Stock Exchange(s) where the existing Shares are Listed, subject to the following conditions: (a) The Scheme is in compliance with the SEBI SBEB Regulations; (b) A statement, as specified under the provisions of the SEBI SBEB Regulations, is filed and the Company obtains an in-principle approval from the Recognised Stock Exchange(s); (c) As and when an Exercise is made, the Company notifies the concerned Recognised Stock Exchange(s) as per the statement as specified under the provisions of the SEBI SBEB Regulations.
- e. Grant of Options to any Employee who is a director nominated by an institution as its representative on the Board will be subject to compliance with Regulation 4 of the SEBI SBEB Regulations.

### 13.2 General Risks

Participation in the Emcure ESOS 2013 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

### **13.3 Inability to obtain approval**

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

13.4 The Grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Employee Stock Option Granted to him in respect of any number of Shares or any expectation that an Employee Stock Option might be Granted to him whether subject to any condition or at all.

13.5 Neither the existence of this Scheme nor the fact that an individual has on any occasion been Granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being Granted an Employee Stock Option on any other occasion.

13.6 The rights Granted to an Option Grantee upon the Grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages of any kind in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

13.7 The Option 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 an Employee Stock Option, in whole or in part, in consequence of the loss or termination of his office or employment with the Company or for any reason whatsoever *(whether or not such termination is ultimately held to be wrongful or unfair)*.

## **14 Consequence of failure to Exercise Option**

The amount payable/ paid by the Employee, if any, at the time of Grant, Vesting or Exercise of Option:

- a. may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or
- b. the amount may be refunded to the Employee if the Options are not Vested due to non-fulfillment of condition relating to Vesting of Option as per the Scheme.

## **15 Notices**

All notices of communication required to be given by the Company to an Option Grantee by virtue of this Scheme shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of Emcure ESOS 2013 shall be sent to the address mentioned below:

Head – Human Resources  
Emcure Pharmaceuticals Limited  
Plot No. P-1 & P-2, IT\_BT Park  
Phase II, M.I.D.C.,  
Hinjawadi, Pune – 411057

## **16 Governing Law and Jurisdiction**

16.1 The terms and conditions of the Emcure ESOS 2013 shall be governed by and construed in accordance with the Applicable Laws of India.

16.2 The mode of dispute resolution mentioned in the Employment Letter of the Employee shall stand *mutatis mutandis* applicable to this Emcure ESOS 2013.

16.3 Subject to the above, the courts of Pune, India shall have exclusive jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Emcure ESOS 2013.

16.4 Nothing in this clause will however limit the right of the Company to bring proceedings against any Employee in connection with the Emcure ESOS 2013:

- (i) in any other court of competent jurisdiction; or
- (ii) concurrently in more than one jurisdiction.

## **17 Income Tax Rules**

The Income tax laws and rules as per the Applicable Law, will be applicable.

## **18 Accounting Policy**

The Company shall follow and conform to applicable accounting policies and follow the disclosure requirements of the accounting standards prescribed under Applicable Laws in terms of Section 133 of the Companies Act, as applicable, including any 'Guidance Note on Accounting for

Employee Share-Based Payments' issued in this regard from time to time, and as set forth under the provisions of the SEBI SBEB Regulations.

In respect of Employee Stock Options Granted pursuant to the Emcure ESOS 2013, the intrinsic value of the Option is treated as discount and accounted as Employee compensation cost over the Vesting period, as per guidance note issued by Institute of Chartered Accountant of India. Further, the Company shall at all times comply with accounting policies specified in Applicable Law.

#### **19 Severability**

In the event any one or more of the provisions contained in this Emcure ESOS 2013 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Emcure ESOS 2013, but this Scheme shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the Emcure ESOS 2013 shall be carried out as nearly as possible according to its original terms and intent.

#### **20 Confidentiality**

Employees must keep the details of the Emcure ESOS 2013 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality clause, the Company has undisputed right to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee/ Board will have the authority to deal with such cases as it may deem fit.

The Option Grantee agrees that the Company may be required to disclose information of the Option Grantee during the process of implementation of the ESOS or while availing services relating to ESOS consulting, advisory services or ESOS Management services and/ or any other such incidental services. The Option Grantee hereby accords his consent that such confidential information regarding his ESOS entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.

## Annexure - I

### Process for Grant, Vest and Exercise of Options under Emcure ESOS 2013

#### At the time of Grant

- 1) Company shall issue Letter of Grant to the Employees – specifying the terms and conditions in relation to the Options including the number of Options, Exercise Price, Vesting Schedule, Vesting Conditions, Exercise Period and others as well as details as required to be disclosed to eligible Employees under Part G of Schedule – I of the SEBI SBEB Regulations.
- 2) Employee shall accept the Grant by returning a signed copy of the Letter of Grant acknowledging his acceptance.

#### At the time of Vesting

- 1) Company shall communicate to the Employees about number of Options Vested in him either by e-mail or by way of any other mode of written communication which is deemed to include an automated Vesting notification mail sent to the MyESOP online account (an online portal being introduced by the Company to manage ESOS"s hereinafter referred to as "**MyESOP online account**") of the Employee concerned.

#### At the time of Exercise (through system)

- 1) The Employee would log in to his MyESOP online account and exercise his Options on-line following the instructions contained therein.
- 2) The Employee shall fill in the details, print the Exercise Application Form posted on the MyESOP online account and submit it to the Company for further processing. He can also view "Exercise report" on-line confirming his exercise. His records will be temporarily updated and will be approved on the application for allotment of shares.
- 3) The Employee shall generate the Perquisite Tax Report one day after the date of exercise of Options which shall be submitted to the Company.
- 4) The Employee shall submit the Exercise Application form along with the Perquisite Tax Report and along with payment by way of cheque/DD to the Company.
- 5) The Company deposits the cheques/DDs in the Bank and obtains clearance of instruments presented. On receiving clearance from Bank, the Company will allot shares to the Employee and update the database.

*(Detailed process and presentation regarding exercise of Options is available under FAQ section of MyESOPs for employees)*

**Annexure - II**

**Investment Notice under Emcure ESOS 2013**

We are pleased to intimate you that there shall be an investment by a party (“the **Investor**”) in the equity Share capital of the Company. As per the provisions of the Emcure ESOS 2013, the Investor has agreed to take certain number of Shares from the Employees who have Vested Options as on date of issue of this Investment Notice. Accordingly, you are entitled to Exercise your Vested Options and offer the resultant Shares as per details and terms & conditions given below:

- |  |   |
|--|---|
| 1) Total no. of Vested Options         | – |
| 2) Vested Options allowed for Exercise | – |
| 3) Exercise Period                     | – |
| 4) Exercise Price per Option           | – |
| 5) Sale price/shares                   | – |

Mention terms and conditions

- 1) <<terms & conditions>>
- 2) <<terms & conditions>>

Please note that you have to accept this offer by <<... date ...>> which is a prerequisite for being eligible to take part in this offer. This offer shall be deemed to be lapsed in case of delayed acceptance or no acceptance after the expiry of the aforementioned date. Once the offer is accepted, you are required to contact the following person with a copy of Investment Notice and the acceptance thereof to get necessary forms and other assistance in the execution:

Mr. XYZ (designation), Department, Address: ..... ,

***This scheme was last amended on December 23, 2024.***