ANNEXURE-1

Bharat Parenterals Employee Stock Option Plan 2020

(“**BPL-ESOP 2020**”
or
“**Scheme**”)

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PART A

STATEMENT OF RISKS

An investment in Equity Shares / Options is subject to risk as the value of Equity Shares may go down or go up. You should carefully consider all the information in this Scheme, including the risks and uncertainties described below, before making an investment in the Equity Shares.

If profitability and financial condition of the Company gets affected, the price of Equity Shares /Options of the company could decline and you may lose all or part of your investment in the Equity Shares /Options. Unless specified or quantified in the Scheme, we are not in a position to quantify the financial or other implication of any of the risks.

In addition, Options are subject to the following additional risks:

1. **Concentration**: The risk arising out of any fall in value of Equity Shares is aggravated if the Employee's holding is concentrated in the Equity Shares of a single Company.

2. **Leverage:** Any change in the value of the Equity Share can lead to a significantly larger change in the value of the Options.

3. **Illiquidity:** The Options cannot be transferred to anybody and therefore the Employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.

4. **Vesting:** The Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the unexercised Options may be forfeited if the Employee is terminated for gross misconduct.

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PART B

INFORMATION ABOUT THE COMPANY

1. Business Profile of the Company

Bharat Parenterals Limited ("the Company") was incorporated on 3rd September, 1992. Its CIN is L24231GJ1992PLC018237 and is presently having its registered office at Vill-Haripura, Savli, Baroda-391520, Gujarat. The Company is a Gujarat based pharmaceutical manufacturing company. From the time of its inception, the company is completely focusing dedicatedly to manufacture an extensive spectrum of pharmaceutical formulation products. As a fully integrated company the company has in-house R&D, business development, manufacturing and regulatory compliance capabilities. It has more than 500 formulations to choose, a strong formulation development base and coveted WHO-cGMP certificate to its credit. The Company has already made an export presence across the globe. The large scale modern production facility at Haripura, Savli is WHO-cGMP certified and abides by its stringent norms. The Company's processes are ISO 9001:2000 certified as well over years. The company has sharpened its production expertise, built modern production lines and consolidated manufacturing processes, which conform to international standards.

Main Objects of the Company are as follows:

The main object of the company is to carry on the business either itself/or for others as manufactures, manufactures representatives, producers, processors, refiners, dealers, factors, agents, stockiest, suppliers, exporters, importers, traders, Wholesalers, retailers, packers, general druggist, distributors, or concessionaires of all kind, types, nature and description of drugs, medicines, spirits, mixtures, powder, tables, pills, capsules, injections, water for injections, veterinary drugs and preparations, patent drugs, ointments, lotions, titrations, globules, shampoo, scents, patents, hair oil, formulations, health products, cream, syrup, tonics, oils, compounds, mother tinctures, glucose,

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nourishment foods, drug, intermediates, bulk drugs, pharmaceuticals and medicinal preparations required or used in allopathic, homeopathic, ayurvedic, unani or nature cure or any other medicinal system or branch of medicines or as a beauty aid or personal hygiene whether for human, animal, birds and insects for whatever purposes/uses such as prevention, curation, prophylactic and nourishments.

2. Abridged Financial Information

The financial information of the Company including Balance Sheet, Profit and Loss Statement, Cash Flow Statement and Auditors' Report for the last 5 (Five) years is available at the website of the Company at http://www.bplindia.in.

3. Risk Factors for the Company

The Company's business is subject to various certain generic risks and industry specific risks including those specified below:

3.1 Industry Specific Risks:

Change in government regulations or their implementation could disrupt the operations and adversely affect the business and results of the Company, due to which company may incur increased cost and penalties.

3.2 Dynamic scenario:

Change in technology may render our current technology obsolete and require us to make substantial investment which could affect the company finance and operation.

3.3 Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects:

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The Company is incorporated in India and all its operations, assets and personnel are located in India. Consequently, its performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise, a significant influence over many aspects of the economy. Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued. Any political instability could affect the rate of economic liberalisation, specific laws and policies affecting foreign investment, the Pharmaceuticals industry or investment in its Equity Shares. A significant change in the Government's policies, in particular, those relating to our field, could adversely affect our business, results of operations, financial condition and prospects and could cause the price of our Equity Shares to decline.

3.4 Significant increases in market prices of essential raw materials, energy or transportation, as well as supply disruptions, could adversely affect our results of operations.

3.5 Risk arising from changes in interest rates and banking policies:

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

The above risks and uncertainties include but are not limited to risks and uncertainties relating to dependencies on few customers and

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suppliers, changes in the regulatory framework, adverse development in any of the customer industries to whom substantial part of the product is given, downgrading of credit worthiness, political instability, legal restrictions and general economic conditions affecting the industry.

4. Continuing Disclosure Requirement:

The Grantee would be entitled to receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of the meetings and the accompanying explanatory statement.

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PART C

BHARAT PARENTERALS EMPLOYEE STOCK OPTION SCHEME – 2020

A. Salient features of the Scheme

This Bharat Parenterals Employee Stock Option Plan 2020 (hereinafter referred to as "**BPL-ESOP 2020**" or "**Scheme**") is pursuant to and under the authority granted in terms of approval by the shareholders at the Annual General Meeting of the Company held on 30th September, 2020 and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 and Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 ("Circular") issued by Securities and Exchange Board of India ("**SEBI**"). Wherever applicable, the Scheme shall be in accordance with the regulations prescribed by Securities and Exchange Board of India (SEBI) and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to all Employees (as defined herein below). The Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors. Please read the Scheme carefully. The contents of this Scheme and any award or other documents related to or arising from or in connection with this Scheme are confidential and it is a term of Grant of Options that any portion of such documents/information should not be discussed with or revealed to others.

It shall be deemed to have come into force on the date of approval of scheme.

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1. Definitions and Interpretations

1.1 The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.

(a) **"Award"** or **"Award Agreement"** or **"Letter of Grant"** means a written award agreement between an Employee and the Company, confirming the grant of Stock Options or Options and evidencing the terms and conditions upon which they may be exercised and sold;

(b) **"Applicable Law"** means every law relating to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013, SEBI (SBEB) Regulations as amended and all relevant revenue, tax, Securities or Exchange Control Regulations or Corporate Laws of India to the extent applicable. The applicable law includes any provision of the applicable law, rule(s), regulation(s), notification(s), circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.

(c) **"Board"** means the Board of Directors of the Company;

(d) **"Cause"** shall mean as determined by the Committee, (i) engaging by an Employee in willful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of an Employee in any other organization or provision of services by an Employee for any other organization, or (v) any other reason which is determined by the Committee to be detrimental to the interest of the Company.

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(e) **"Company"** means BHARAT PARENTERALS LIMITED bearing CIN [L24231GJ1992PLC018237] and having its Registered Office at Vill - Haripura, Savli, Baroda, Gujarat 391520 ;

(f) "**Committee**" means "the Compensation Committee of the Board of Directors constituted as per the SEBI (Share Based Employee Benefits) Regulations, 2014 and/or the Nomination & Remuneration Committee or of the Board of Directors of the Company (hereinafter referred as "committee)";

(g) **"Corporate Action"** means one of the following events:

(i) rights / bonus issue;

(ii) reorganization of the Shares;

(iii) restructuring of the share capital of the Company;

(iv) 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;

(v) Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;

(vi) Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;

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(h) **"Eligible Employee"** means an Employee who qualifies for issue of Options under this Scheme, based on the annual appraisal process and who is nominated by the Committee at its sole discretion as being eligible for issue of Options.

(i) **"Employee"** means

1. a permanent employee of the Company who has been working in India or out of India; or

2. a director of the Company, whether a whole-time director or not but excluding an independent director, who is permitted to receive Stock Options as per Applicable Law; or

3. a permanent employee or director of a Subsidiary, in India or outside India, or of the Holding company of the Company but does not include:

   (e) an employee who is a Promoter or a person belonging to the Promoter Group of the Company; or

   (f) 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 Shares of the Company

(j) **"Exercise" means**, making of a written application by an Employee to the Company for issue of shares against Stock Options Vested in pursuance of BPL - ESOP 2020;

(k) **"Exercise Period"** means the time period after 1 year of Vesting within which the Grantee should exercise his/her right to apply for Shares against the Options vested in him/her. In case the Grantee does not exercise the Options during the Exercise Period, they will lapse and no rights will accrue after that date. The Exercise Period shall be specified in the Letter of Grant to a Grantee.

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(l) **"Exercise Price"** means the price, if any, payable by the Grantee for Exercising the Stock Options granted to him/her in pursuance of BPL- ESOP 2020 as may be determined by the committee.

(m) **"Grant"** means the process by which the Company issues Stock Options to a Grantee under BPL-ESOP 2020;

(n) **"Grant Date"** with respect to any Stock Options means the date on which the Committee approves the Grant of such Stock Options pursuant to BPL-ESOP, 2020.

(o) **"Grantee"** means an Eligible Employee who has been granted Stock Options under the Scheme and who has signed his acceptance thereof by way of an Letter of Grant in accordance with the terms and conditions set forth in the Scheme;

(p) **"Holding Company"** shall have the meaning ascribed to under the Companies Act, 2013;

(q) **"Independent Director"** shall have the same meaning as defined in regulation 16 of SEBI (LODR) Regulations and section 2(47) of the Companies Act. 2013, as amended from time to time.

(r) **"Market Price"** means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date.

(s) **"Permanent Disability"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement as determined by the Board of Directors based on a certificate of a medical expert identified by the Company.

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(t) **"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;

(u) **"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:

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;

(v) **"Relative"** means shall have the same meaning as defined in section 2(77) of the Companies Act. 2013, as amended from time to time.

(w) **"Relevant Date"** means the date of the meeting of the Committee on which the grant is made.

(x) **"Scheme"** shall mean the Bharat Parenterals Employee Stock Option Scheme – 2020 (BPL- ESOP 2020) and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

(y) **"SEBI"** shall mean Securities and Exchange Board of India;

(z) **"SEBI Circular"** shall mean Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 issued by Securities and Exchange Board of India

(aa) **"SEBI Regulations"** means SEBI (Share Based Employee Benefits) Regulation, 2014;

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(bb) **"Secondary Acquisition"** means acquisition of existing shares of the company by the way the trust on the platform of a recognized stock exchange for cash consideration

(cc) **"Shares"** mean equity shares of the Company of a face value of Rs. 10.00 each and securities convertible into equity shares and shall include depository receipts representing underlying equity shares or securities convertible into equity shares of the company;

(dd) **"Stock Option"** or **"Option"** means a stock option granted pursuant to this Scheme to the Employees, which gives such Employee the benefit or right (but not an obligation) to apply for and be allotted Equity Shares of the Company at the Exercise Price during or within the Exercise Period, subject to the requirements of Vesting and subject to and in accordance with the terms and conditions of grant set out in the Letter of Grant and the Scheme, each as amended or modified from time to time. Each Stock Option granted would represent the right to apply for 1 (one) Share of the Company.

(ee) **"Subsidiary"** means any present **or** future subsidiary as defined under the Companies Act, 2013;

(ff) **"Trust"** means a trust established under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof.

(gg) **"Trustee"** means the trustee of the Trust.

(hh) **"Unvested Option"** means an Option, which is not vested.

(ii) **"Vested Option"** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.

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(jj) **"Vesting"** means the process by which the Grantee is given the right to apply for Shares of the Company against the Options granted to him in pursuance of this Scheme and the term "Vested" shall have a co-related meaning;

(kk) **"Vesting Date"** means the date on and from which the Option vests with the Grantees and there by becomes exercisable.

(ll) **"Vesting Period"** in respect of an Option means the period after which such Option will be considered to have Vested in the Grantee. The Vesting Period may vary for different Grantees or Options, as may be determined by the Committee.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, Income Tax Act, 1961 or the Companies Act, 2013, or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any other regulations and/or circulars issued by SEBI or any statutory modification or re-enactment thereof, as the case may be.

1.2 Interpretations

In this document, unless otherwise stated or intention appears:

a. words denoting the singular shall include the plural and vice versa;

b. The words importing a gender include every gender.

c. heading and bold type face are only for convenience and shall not affect the interpretation hereof;

d. references to the word "include" or "including" shall be construed without limitation; and

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e. references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been or may from time to time be, amended, modified or re-enacted.

2. Purposes

The purposes of the Scheme are:

(a) To encourage ownership of the Company's equity shares by the Employees on an ongoing basis;

(b) To align employee compensation with performance of the Company

(c) To benefit the Company by enabling the attraction and retention of the best available talent by enabling them to contribute and share in the growth of the Company

(d) To provide existing Employees an opportunity for investment in the Company's Common Stock in recognition of their efforts to grow and build the Company

3. Quantum of Shares subject to the Scheme

The maximum number of Stock Options available for Grant under the BPL - ESOP 2020 shall be 200,000 (Two Lakh Only) representing 3.5% Equity Shares of the Company of Face Value Rs 10.00 each, provided that all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are available for Grant. Each Stock Option when exercised will be converted into one Share of the Company.

Where Shares are issued consequent upon exercise of Stock Options under the Scheme, the maximum number of Shares that are subject to Stock Options referred above shall stand reduced to the extent of such Shares issued.

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For the purpose of BPL ESOP 2020, the Committee may have the discretion of Secondary Acquisition through trust or issue of new Shares subject to necessary approvals in accordance with all applicable laws and regulations.

The maximum number of Options to be issued per Employee will be decided by the Committee, provided that where the number of Options being granted exceeds the thresholds specified in the SEBI Regulations, prior approval of the shareholders of the Company shall be duly obtained for such Grant.

4. Eligibility

a. Except as set forth in this Scheme, all Employees are eligible for Stock Options subject to the provisions of the Scheme. The Committee will determine and designate from time to time Employees of the Company and / or Subsidiaries and/or Holding Company to whom Stock Options are to be granted and the number of Shares by such grants.

b. The Stock Options shall be granted by the Committee to such Employees under an Award Agreement/Letter of Grant signed by the Chairman/ Authorized Signatory of the Committee and the Grantee.

c. In determining the eligibility of an Employee to receive Stock Options under the Scheme, the Committee may consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Committee however is authorized to change the eligibility criteria from time to time.

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5. Scheme Administration

a) The Scheme shall be administered by and be under the superintendence of the Committee constituted by the Board. The Grantee shall abide by the policies, decisions and procedures laid down by the Committee, from time to time.

The Board shall have the power to reconstitute the Committee from time to time.

b) The Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.

c) The Committee shall, inter alia, formulate the detailed terms and conditions of the scheme which shall include the provisions as specified under applicable law and shall ensure due implementation of the same.

d) 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 SEBI Regulations, the Circular, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, the guidelines issued under Income Tax Act, 1961 for grant of Options (so as to be eligible for exemptions thereunder) by the Company and its employees, as applicable.

e) The Company Secretary of the Company shall be the administrator of the Scheme (the "**Scheme Administrator**"), who shall maintain such records and data as may be required to administer the Scheme.

f) Each Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement / Letter of Grant.

g) The Scheme Administrator shall provide each Grantee financial statements of the Company on an annual basis. Grantee shall have access to these statements through intranet and company website.

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6. Effective Date

The Scheme shall be deemed to have come into force on the date of its approval from the shareholders. The Scheme shall be terminated as per the Clause 21 of the BPL ESOP Scheme, 2020 and no Grant shall be made under the Scheme post termination of Scheme.

7. Terms and Conditions of Stock Options

a) Subject to the provisions of Clause 21 of the Scheme and other relevant terms of this Scheme, an Option shall be deemed to have been Exercised when the Company receives:

   (i) a written application (in physical or electronic form but in the form prescribed by the Committee) to the Scheme Administrator specifying the number of Stock Options to be Exercised; and

   (ii) full payment of the Exercise Price for the Options sought to be Exercised, together with taxes, if any, payable for such Exercise and upon the satisfaction of the tax liabilities set out in Clause 18 of the Scheme.

b) Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award and the Scheme (each as amended or modified, from time to time).

c) Shares issued upon Exercise of an Option shall be issued in the name of the Grantee or, if requested by the Grantee, in the name of the Grantee and in the name of a joint applicant.

d) If no specific Exercise Period has been mentioned in the Award, the Exercise Period of the Options Vested in him/her shall, subject to the provisions of Clause 21 of this Scheme, will be start after the 1 (one) year of vesting and maximum upto 5 (five) years from the date of Vesting.

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e) The process of allotment of the Shares to the Grantee who has validly exercised his/her Vested Options should be completed within two months of completion of valid Exercising of such Options Vested, in accordance with the terms prescribed in the Award and this Scheme.

f) A Grantee can exercise Options, in whole or in part any time during the Exercise Period of such Options, provided that no Option can be exercised in fractions.

g) The Exercise Price for an Option shall be the face value of the Shares or any higher price which may be decided by the Committee considering the prevailing market conditions and the norms as prescribed by SEBI and other relevant regulatory authorities.

h) The Exercise Price for Options shall be as specified in the Award issued to the Grantee in respect of such Options (as modified or amended, from time to time, by notification to the Grantee).

i) **Cashless Exercise:** Under the Cashless Exercise, upon a Grantee exercising the Stock Options, the corresponding Shares relating to such Stock Options exercised will be sold on Recognized Stock Exchange in which the shares are listed and publicly traded at the time of such Cashless Exercise and the Grantee will be entitled to receive the difference between the selling price and the Exercise Price for the Stock Options exercised by him after deducting taxes payable on such Exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of shares).

For the purpose of implementing the Cashless Exercise, the Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the Stock Options as may be necessary and the same shall be binding on the Grantee.

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For the purpose of this clause, unless otherwise stated "Selling Price" means the actual price realized on the sale of shares through the Recognized Stock Exchanges

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

j) No Employee shall have any right to demand from the Company for Grant of Stock Options, nor shall the Company have any such obligation to any Employee.

k) It is clearly understood that the Grant or Vesting of any Stock Options to an Employee, per se, does not assure accrual of a benefit or profit.

l) Even after the completion of the Vesting Period and satisfaction of any other Vesting conditions, the Grantee will not be entitled to any dividends, rights issue or bonus shares issued until such time the Stock Options are Exercised and Shares are issued thereunder are allotted to the Grantee.

m) If any Options that are vested are not exercised within the applicable Exercise Period, the options will be forfeited by the Company after the last date of the Exercise Period.

n) The total number of Stock Options that may be granted to any specific Eligible Employee under one or more tranches during any one year not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employees as the case may be, subject to the separate approval of the Shareholders in a general meeting.

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8. Award Agreement

8.1 The Grant of Stock Options shall be confirmed by an Award Agreement (in the form prescribed by the Committee) which shall be executed by the Committee and an Eligible Employee at the time of such Grant.

8.2 The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme and shall include without limitation:

(a) the quantum of Options to be granted under the Scheme to a particular Eligible Employee;

(b) the premium payable per Option for Grant;

(c) Exercise Price;

(d) the Vesting Period and the Exercise Period;

(e) the conditions under which Options Vested in the Grantee may lapse in case of termination of employment for misconduct (apart from what have been stated elsewhere herein);

(f) the specified time period within which the Grantee shall exercise the Vested Options in the event of termination or resignation of such Grantee;

(g) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, demerger, amalgamation, sale of division, business transfer and others.

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9. Vesting of Options

Vesting period shall commence after minimum of 1 (One) year from the grant date and it may extend upto 3 years from the grant date, at the discretion of and in the manner prescribed by the Committee.

Vesting of Options will be on yearly basis and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

The vesting schedule will be clearly defined in their grant letter of respective Grantees subject to minimum and maximum vesting period as specified above.

However, the suggestive vesting schedule is as follow:

Time Period	% of Options to be vested
At the end of 1st year from the grant date	22.5% of the Options Granted
At the end of 2nd year from the grant date	22.5% of the Options Granted
At the end of 3rd year from the grant date	55% of the Options Granted

The Actual vesting may further be linked with the eligibility criteria, as determined by the Committee and mentioned in the grant letter.

The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.
The Options which get lapsed due to eligibility Criteria in any of the vesting, if any, will get lapsed from the hands of the Grantee.

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Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options, then the Options to be actually vested, be rounded off to nearest lower integer.

10. Accounting

Further to accounting policies referred under Regulation 15 of the SEBI Regulations, the Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other policies as may be prescribed under SEBI Regulations.

11. Variation of the terms of BPL-ESOP 2020

11.1 The Committee may at any time amend, alter, suspend or terminate the Scheme, to the extent, subject to and after compliance with the requirements of Applicable Laws, provided that the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Grantees.

11.2 The Company may by a special resolution in a general meeting vary the terms of the Scheme offered pursuant to an earlier resolution of a general body but not yet exercised by the Grantees provided such variation is not detrimental or prejudicial to the interests of the Grantees. The notice for passing special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.

11.3 Termination of the Scheme shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the Scheme prior to the date of such termination.

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11.4 Any change, amendment, etc. under this clause shall be subject to obtaining of approvals from concerned authorities and so long as otherwise such change, etc. is in accordance with the statutory provisions, guidelines, etc.

11.5 The provisions of Regulation 6 of the SEBI Regulations shall apply to such variation of terms as they do to the original Grant of Stock Options.

12. Resignation or Termination of Employment

12.1 If a Grantee's employment with the Company terminates for Cause, then the Stock Options, to the extent not previously Vested and/ or Exercised, will lapse on the date of such termination of employment.

12.2 If a Grantee's employment with the Company stands terminated due to voluntary resignation on the part of the Grantee, then all Stock Options not vested in the Employee as on the date of termination shall lapse forthwith. The Vested Stock Options can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is earlier.

12.3 If a Grantee's employment with the Company terminates due to completion of his contract, all Stock Options not Vested at the time of such termination shall lapse forthwith. The Vested Stock Options can be exercised by an Employee prior to the expiry of Exercise Period. For the purposes of this clause, termination of employed shall have the meaning ascribed to it in the contract entered between the Company and such contractual employee.

However, will be regarded as employment transfers within the Company and will not be regarded as resignation or termination under this clause.

12.4 If a Grantee dies while being an Employee of the Company, the Option may be exercised within such period of time as is specified in the Award (but in no event later than the expiration of the Exercise Period of such Option as set forth in the Award) by the Grantee's legal representative or by a person who acquires the right to exercise the Option by bequest or inheritance. All Options granted to

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him/her till date shall be deemed to be vested in the legal heirs or nominee of the deceased Employee. In the absence of a specified Exercise Period in the Award, the Option shall remain Exercisable for 1 year (or such extended time as decided by the Committee) following the Grantee's death. If such Options are not so Exercised within the time specified herein, the Options shall stand terminated, and the Shares covered by such Option shall revert to the Scheme.

12.5 If a Grantee suffers total and permanent disability and/or permanent incapacity, while being an Employee of the Company, all Options granted to him/her as on the date of such permanent incapacitation, shall stand Vested in him on that day. In the absence of a specified time in the Letter of Grant, in such case, all Option Vested in such Grantee shall remain Exercisable for 3 months (or such extended time as decided by the Committee) following the Grantee's termination. If, after termination, the Grantee does not Exercise his or her option within the time specified herein, the Options shall stand terminated, and the Shares covered by such Option shall revert to the Scheme.

12.6 Save and except for the reasons referred hereinabove under Clauses 12.3. 12.4 and 12.5 and also for resignation of an Employee of the Company for joining any group company of the Company including any Subsidiary and/or Holding Company, all Stock Options which have not vested will lapse forthwith.

12.7 The Vested Stock Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Committee.

13. Terms and Conditions of the Shares:

13.1 The Shares transferred to the Grantees pursuant to exercise of Options will not be subject to any lock-in period and can be freely sold by Grantee.

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13.2 The Shares issued on Exercise of the Options shall be listed on the stock exchanges where the Company is listed subject to the terms and conditions of the listing agreements with the stock exchanges.

13.3 No Employee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a Shareholder in respect of Options Granted or Vested in the Grantee.

14. Vesting and Exercise of Stock Options in case of Employees on long leave

14.1 The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

14.2 A Grantee on leave other than a sabbatical can Exercise his/her Stock Options as per the terms of the Award Agreement.

14.3 The Company may provide for different Exercise Periods, to the extent permissible under Applicable Law, for different Eligible Employees especially employees on long leave as may be decided by the Committee.

15. Non-Transferability

15.1 Option granted to a Grantee shall not be transferable or assignable to any person.

15.2 Save and except as provided herein under Clause 12.4 of the Scheme or by testamentary documents, no person other than the Grantee to whom the Option is granted shall be entitled to Exercise the Option.

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15.3 The Option granted to the Grantee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

16. Corporate Action

16.1 In the event of change in control of the Company or Corporate Action, a Grant made under the Scheme shall be subject to adjustment by the Committee at its discretion as to number of Options or Vesting criteria as the case may be such that (a) the number of Options and the Exercise Price is adjusted in the manner such that the total value to the Grantee remains the same after the adjustment pursuant to the Corporate Action and/or change in control of the Company; (b) the Vesting criteria and the life of the Options is left unaltered to protect the interest of the Grantee. The decision of the Committee, in this regard, shall be final and binding.

16.2 The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board or the Shareholders to make or authorise any 'Corporate Action', strategic sale of substantial stake by the Shareholders including any issue of Shares, debt or other Securities having any priority or preference with respect to the Shares under the Scheme or the rights thereof, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company or the new company / new entity that is formed or takes over a part of whole of the business of the Company, as a result of such action.

16.3 In the event of a dissolution or liquidation, the Committee shall inform each Grantee, as soon as practicable / permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Grantee.

16.4 Nothing contained in the Scheme shall be construed to prevent the Company from implementing another Employee Stock Option Plan, directly or through any trust settled by Company, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Scheme or any Grant made under the Scheme. No Grantee or other Person

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shall have any claim against the Company and/or Trust as a result of such action.

17. No Right of Employment

The Grant of Stock Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary to terminate the employment of the Grantee at any time.

18. Tax Liability

(a) The Company shall have the right to deduct / recover all taxes payable either by itself or by the Grantee, in connection with all Grants / Options / Shares under this Scheme, by way of deduction at source from salary and, in addition, to require any payments necessary to enable it to satisfy such obligations.

(b) No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Stock Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft to the Company for the said amount.

(c) The Company shall have no obligation to deliver Shares or to release Shares until the Company's tax deducting obligations, if any, have been satisfied by the Grantee.

(d) The Grantee will also, as a condition of the Scheme, authorize the Company or its Nominee to sell such number of Shares, as would be necessary, to discharge the obligation in the respect of such taxes and appropriate the proceeds thereof on behalf of the Grantee.

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(e) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Stock Options or the Shares acquired upon the Exercise thereof.

(f) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

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

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

The payment of perquisite tax, in respect of exercise of the Options shall be made by the employee to the Company or the Company shall have the right to recover tax from the Grantee.

Point 2: At the time of sale of the Shares of the company by the Grantee. On selling of the Shares, the concerned employee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

19. Interpretation and Amendments

(a) The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or such Option(s).

(b) The Committee shall in accordance with this Scheme and Applicable Law determine the following:

(i) determine the Eligible Employees to become the Grantees;

(ii) determine the performance parameters for Grant and/or Vesting of Options to an Eligible Employee;

(iii) determine the Vesting and/or lock-in-period of the Grant made to any Grantee and/or any conditions subject to which such Vesting may take place;

(iv) assess the performance of an Eligible Employee for Granting of the Options;

(v) determine the criteria for Vesting of Options;

(vi) determine the number of Options to be Granted, to each Eligible Employee and in the aggregate, and the times at which such Grants shall be made;

(vii) lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Action in accordance SEBI (SBEB) Regulations;

(viii) specify the method which the Company shall use to value its Options for the purposes of accounting for Options as per the accounting guidelines of the Institute of Chartered Accountants in India;

(ix) provide for the right of an Grantee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;

(x) lay down the procedure for cashless Exercise of Options, if any;

(xi) provide for the Grant, Vesting and Exercise of Options in case of Grantees who are on long leave or who have been seconded to any other company by the Company;

(xii) such other matters in respect of which the Committee is required to formulate terms and conditions under Applicable Law.

(c) In the event of any clarifications being required on the interpretation or application of the Scheme, the same shall be referred to the

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Committee. The decision of the Committee shall be final and binding on the Employees in this regard.

(d) With regard to the matters specifically not provided for in this Scheme or any other documents that may be issued in connection with the Options, the Committee shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the Employees and the Company as may be permissible under the Applicable Law, rules and regulations for the time being in force. The decision of the Committee shall be final and binding on the Employees.

(e) Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Scheme shall be referred to the Committee and shall be determined by it from time to time. All such determination / decision / interpretation by the Committee shall be final and binding on all the Employees affected thereby.

20. Notices

All notices under the Scheme shall be in writing and if to the Company, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

21. Termination of the Scheme

21.1 The Scheme shall terminate upon the earliest to occur of the following:

a) The effective date of a resolution adopted by the Committee terminating the Scheme;

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b) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or

c) 10 years from the, date the Scheme is approved by the Company's shareholders.

21.2 No Stock Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section, but Stock Options granted heretofore shall continue in force beyond that date pursuant to these terms.

21.3 No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder and all Stock Options previously granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement

22. Surrender of the Options

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

23. Non-Resident Employees

Grant of Stock Options to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the residential and/or employment jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, SEBI Regulations and any other statutory provisions applicable under relevant Indian laws.

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24. Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in Vadodara, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Gujarat, India.

25. Confidentiality:

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

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26. Other Terms

26.1 This Scheme, in terms of having binding effect, is a private contract between the Company and the Employee specified in the Award with which this document is an integral part. It does not create any right or benefit for persons other than the between the Company and the specific Employee who has been issued an Award of which this document forms a part. The parties hereto recognize that the Company may provide for different terms, to the extent permissible under Applicable Law, for different Eligible Employees especially employees on long leave as may be decided by the Committee.

26.2 The Company shall be entitled to file this Scheme with such authorities and persons as it may be required under law to file or where it deems fit.

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

26.4 This Scheme shall be subject to all Applicable Laws, rules, and regulations and to such approvals by any governmental agencies as may be required. The Grant of Options under this Scheme shall entitle the Company to require the Grantees to comply with such requirements of law as may be necessary in the opinion of the Company

26.5 All costs and expenses with respect to the adoption of the Scheme and in connection with the registration of Shares shall be borne by the Company; provided, however, that except as otherwise

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specifically provided in the Scheme or in any agreement between the Company and a Grantee, the Company shall not be obliged to pay any costs or expenses (including legal fees) incurred by any Grantee in connection with any Option held by such Grantee or transfer or other dealing with Shares held by a Grantee pursuant to Exercise of Options.

26.6 In the event of any tax liability, present or future, arising on account of the grant of the Options / conversion into shares / transfer of shares to the employee, the liability shall be that of the employee alone and the Company shall be indemnified to the extent of income tax , fringe benefit tax etc , if any levied at any point of time . The Company shall have the right to deduct tax at source or demand and recover tax from the employee of such an amount as may be advised to it by the tax advisors at the time of grant or exercise of the Options.

26.7 The Scheme shall continue to operate so long as there are un-issued or unexercised Options and thereafter shall continue to operate till the Committee decides to terminate the Scheme. The Scheme shall operate independently and parallel to any Scheme that may be presently existing. The Company may introduce new scheme or schemes that may have features, terms and conditions that are different from the Scheme.

26.8 The Employee shall enter into such agreement, as the Company or its representative may desire from time to time to more fully and effectively implement this Scheme.

26.9 The Employee who holds any Options/ Shares under the Scheme shall not divulge the details or terms of the Scheme, any Letter of Grant and his/her holding to any person except any disclosure as may be required as per Applicable Laws.

26.10 Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue

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Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange.

26.11 Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the exercise of Stock Options. The risks associated with investment in Shares are that of the Grantee alone.

26.12 This Scheme will operate inter-alia, under Companies Act 2013 and SEBI (SBEB) Regulations, provisions not specifically provided herein but set out in such aforesaid laws.

FOR BHARAT PARENTERALS LIMITED

BHARAT PARENTERALS LTD. VADODARA INDIA

Lubhanshi Jhalani
Company Secretary