

PANACEA BIOTEC LIMITED

CIN: L33117PB1984PLC022350

Regd. Office: Ambala-Chandigarh Highway, Lalru Punjab - 140501, India

Panacea Biotec Limited - Employee Stock Option Plan 2020

PANACEA BIOTEC LIMITED

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1. Name, Objective and Term of the Plan

1.1 This Employee Stock Option Plan shall be called ‘Panacea Biotec Limited-Employee Stock Option Plan 2020’ (“ESOP 2020”/ “Plan”).

1.2 The objectives of the ESOP 2020 are to reward key and senior Employees for their association dedication and contribution to the goals of the Company. The Company intends to use ESOP 2020 to attract, retain and motivate key talents working with the Company and its Subsidiary company, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Employee Stock Options as an instrument that would enable the Employees to get a share in the value they create for the Company in the years to come.

1.3 The ESOP 2020 is established with effect from <<date of shareholders’ approval>> on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOP 2020 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

i. “**Applicable Law**” means every law relating to Options, employee stock options by whatever name called, including and without limitation to the Companies Act, 2013, (“the Act”) and the rules framed thereunder, Securities and Exchange Board of India Act 1992 (“SEBI Act”), SEBI (Share Based Employee Benefits) Regulations, 2004 (“SEBI SBEB Regulations”) and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.

ii. “**Board**” means the Board of Directors of the Company.

iii. “**Committee**” means the nomination and remuneration committee constituted by the Board from time to time, to administer and supervise the ESOP 2020 and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Section 178 of the Companies Act to act compensation committee under Regulation 5 of the SEBI SBEB Regulations.

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- iv. **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- v. **“Company”** means “Panacea Biotec Limited”, a company registered in India under the provisions of the Companies Act, 1956, duly existing under the Companies Act, 2013 having CIN: L33117PB1984PLC022350 and having its registered office at Ambala-Chandigarh Highway, Lalru, Punjab - 140501, India.
- vi. **“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 company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers. Policies/terms of employment of the Subsidiary company as regards an Option Grantee on the payrolls of such Subsidiary company shall be deemed to be “Company Policies/Terms of Employment” for such Option Grantee.
- vii. **“Director”** means a member of the Board of the Company.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- ix. **“Employee”** means
- (i) a permanent employee of the Company working in India or out of India; or
 - (ii) a Director of the Company, whether whole time or not;
 - (iii) an employee, as defined in sub-clauses (i) or (ii) above, of a Subsidiary company, of the Company;
- but excludes**
- a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
 - c. a Director being an Independent Director.
- x. **“Employee Stock Option”** means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.

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- xi. **“ESOP 2020”** means the ‘Panacea Biotec Limited - Employee Stock Option Plan 2020’ under which the Company is authorized to grant Options to the Employees.
- xii. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2020, in accordance with the procedure laid down by the Company for Exercise of Options.
- xiii. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP 2020.
- xiv. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2020.
- xv. **“Grant”** means issue of Options to the Employees under the ESOP 2020.
- xvi. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).
- xvii. **“Market Price”** means the latest available closing price on the Stock Exchange on which the Shares of the Company are listed, immediately prior to the Relevant Date.

Explanation- If Shares are listed on more than one Stock Exchange, then the closing price of the Shares on the Stock Exchange having higher trading volume shall be considered as the Market Price.

- xviii. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee an opportunity of being heard:
 - a. committing of any act warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the Committee amounts to a serious breach by an option Grantee of the obligation of trust and confidence to his employer; or
 - c. a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee 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 Committee; or
 - d. has been convicted of any criminal offence; or

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- e. has been disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or has been subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual's continued employment; or
 - f. has acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other Group member into disrepute or discredit;
 - g. breach or violation of any Company policies/ terms of employment; and
 - h. Any other act or omission not included above but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and/or appointment letter.
- xix. **"Option"** means Employee Stock Options within the meaning of the Plan.
- xx. **"Option Grantee"** means an Employee who has been granted an Option and has accepted such Grant as required under the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxi. **"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 Company.
- xxii. **"Plan"** means and refers to ESOP 2020 defined herein.
- 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 2009, as amended ("SEBI ICDR Regulations").
- xxiv. **"Promoter Group"** shall have the same meaning assigned to it under the SEBI ICDR Regulations.
- xxv. **"Relevant Date"** means any of the following dates as the context requires:
- (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 by the Option Grantee.
- xxvi. **"Retirement"** means retirement as per the rules of the Company.

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- xxvii. “**SEBI SBEB Regulations**” means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and re-enacted from time to time, and includes any clarifications or circulars issued thereunder.
- xxviii. “**Shares**” means equity shares of the Company of face value of Re. 1 (one) each fully paid-up including the equity shares arising out of the Exercise of Options granted under ESOP 2020.
- xxix. “**Stock Exchange**” means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.
- xxx. “**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.
- xxxi. “**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.
- xxxii. “**Vesting**” means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2020.
- xxxiii. “**Vesting Condition**” means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxiv. “**Vesting Period**” means the period during which the vesting of the Option granted to the Employee, in pursuance of the ESOP 2020 takes place.

2.2 Interpretation

In this Plan, 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 number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

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Words and expressions used and not defined here but defined in the SEBI SBEB Regulations, SEBI Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

3. Authority and Ceiling

- 3.1 The shareholders of the Company by way of special resolution dated [INSERT DATE] approved the Plan authorizing the Committee to grant not exceeding 35,00,000 (Thirty Five Lakh) Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than 35,00,000 (Thirty Five Lakh) Shares of face value of Re.1 each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Options under ESOP 2020 that may be granted to each Employee in any year shall in aggregate be not more than 50,000 (Fifty Thousand) at the time of Grant of Option.
- 3.3 If the number of Options that may be offered to any specific Employee is equal to or more than 1% (one percent) of the issued equity share capital (excluding outstanding warrants & conversion) of the Company at the time of grant of Options, then the Company shall take prior approval of members of the Company by way of a special resolution.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.5 Where Shares are issued consequent upon exercise of an Option under the ESOP 2020, the maximum number of Shares that can be issued under ESOP 2020 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being granted under ESOP 2020 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Re.1 per Share and the revised face value after the Share consolidation is Rs.2 per Share, the total number of Shares available under ESOP 2020 would

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be (Shares reserved at Sub-Clause 3.1/ 2) Shares of Rs.2 each. Similarly, in case of bonus issue, etc. the available number of Shares under Plan shall be revised to restore the value.

4. Administration

4.1 The ESOP 2020 shall be administered by the Committee. All questions of interpretation of the ESOP 2020 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 ESOP 2020 or in any Option issued thereunder.

4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (a) The quantum of the Option to be granted under the ESOP 2020 per Employee, subject to the ceiling as specified in Clause 3.1;
- (b) the Eligibility Criteria for grant of Option to the Employees;
- (c) the specific Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- (d) the specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
- (e) the right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- (f) the procedure for making a fair and reasonable adjustment to the number of Option and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - (i) as far as possible, the number and the price of Option shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and
 - (ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees; and
 - (iii) as far as possible, the number and the price of option shall remain unchanged upon the proposed Scheme of Arrangement for demerger of Real Estate Business pursuant to the Scheme of Arrangement pending before Hon'ble National Company Law Tribunal, Chandigarh, becomes effective.

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- (g) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
 - (h) the conditions under which Option vested in Employees may lapse in case of termination of employment for misconduct;
 - (i) the procedure for cashless Exercise of Option, if required; and
 - (j) approve forms, writings and/or agreements for use in pursuance of the ESOP 2020.
- 4.3 The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (“SEBI PIT Regulations”) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) (“SEBI PFUTP Regulations”) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee.
- 5. Eligibility and Applicability**
- 5.1 Only Employees are eligible for being granted Option under ESOP 2020. The specific Employees to whom the Option would be granted and their Eligibility Criteria shall be determined by the Committee.
- 5.2 The Plan shall be applicable to the Company, its Subsidiary company and any successor Company thereof and may be granted to the Employees of the Company and its Subsidiary company, as determined by the Board at its sole discretion.
- 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.
- 6. Grant and Acceptance of Grant**
- 6.1 Grant of Options**
- (a) Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.
 - (b) Each Grant of Option under the Plan shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

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6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“Closing Date”) which shall not be more than 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date as stated above, shall be deemed to have rejected the Grant unless the Committee determines otherwise.

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under ESOP 2020 shall vest not earlier than minimum period of 2 **(two)** years and not later than maximum period of 5 **(five)** years from the date of Grant.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar Plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause.

- 7.2 Vesting of Option would be subject to continued employment with the Company and/or its Subsidiary company. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.
- 7.3 As a prerequisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company and/or its Subsidiary company on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 7.4 The Vesting schedule and specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter issued to the Option Grantee at the time of Grant.

7.5 Vesting of Options in case of Employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and

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sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

8. Exercise

8.1 Exercise Price

- (a) The Exercise Price per Option shall be the price as may be determined by the Committee but not be lesser than the face value of the Share of the Company.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favor of the Company or in such other manner as the Committee may decide from time to time.

8.2 Exercise Period

(a) Exercise while in employment:

The Exercise Period in respect of an Option shall be subject to a maximum period of **3 (three)** years from the date of Vesting of Options.

(b) Exercise in case of separation from employment:

Subject to maximum Exercise Period stated above, the Vested Options can be exercised as under:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to Misconduct)	All the Vested Options as on the date of submission of resignation/ date of termination shall be exercisable by the Option Grantee within a period 1 (one) month from the date of such Resignation/termination.	All the Unvested Options as on date of submission of resignation/ date of termination shall stand cancelled with effect from date such resignation/ termination.
2	Termination due to Misconduct	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

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3	Retirement	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee within a period 6 (Six) months from the date of such Retirement.	All of the unvested option shall vest immediately and exercisable by option Grantee within a period of 6 (Six) months from the date of such Retirement.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but within the period of 6 (six) months from the date of death of the Option Grantee.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee, immediately after, but within the period of 6 (six) months from the date of such Permanent Incapacity.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee and can be exercised in the manner defined for Vested Options.
6	Abandonment of employment	All the Vested Options shall stand cancelled with effect from such date as determined by the Committee.	All Unvested Options shall stand cancelled with effect from such date as determined by the Committee.
7	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

8.4 Unless otherwise decided by the Committee in its sole discretion, the Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8.5 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in Sub-clause 8.2 shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

9. Lock-in

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under ESOP 2020.

Provided that the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under SEBI PIT Regulations.

10. Exit route in case of delisting

If the Company gets delisted from all the recognized Stock Exchanges, then the Committee shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

11. Restriction on transfer of Options

11.1 The Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

11.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions of sub-clause 8.2(b) would apply.

11.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee holder, in which case provisions of sub-clause 8.2(b) would apply.

12. Rights as a shareholder

12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company upon Exercise of such Option.

12.2 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,

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voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.

12.3 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2(f) of ESOP 2020.

13. Deduction/Recovery of Tax

13.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules made thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of the Company and/or its Subsidiary company working abroad, if any.

13.2 The Company and/or its Subsidiary company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

13.3 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 in full.

14. Authority to vary terms

14.1 For the purpose of efficient implementation and administration of the Plan but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, wherever applicable, the Committee may revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not prejudicial to the interest of the Employees.

14.2 The Committee may also re-price the Options which are not exercised, whether or not they have vested, if Plan is rendered unattractive due to fall in the price of the Shares.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2020 shall be subject to all Applicable Laws, and approvals from Government authorities as may be applicable. The Grant and the allotment of Shares under this ESOP 2020 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

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15.2 Inability to obtain authority

The inability of the Company to obtain authority 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 from any and all liability in respect of the failure to issue or sell such Shares.

15.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an 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 Plan by being granted an Option on any other occasion.

15.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

15.5 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 Option in whole or in part.

15.6 General Risks

Participation in the ESOP 2020 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the Shares and the risks associated with the investments is that of the Option Grantee alone.

16. Accounting and Disclosures

The Company shall follow the Indian Accounting Standard IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB Regulations.

17. Certificate from Auditors

The Committee shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the ESOP 2020 has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

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18.1 The terms and conditions of the ESOP 2020 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

18.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India belonging to the Company and/or its Subsidiary company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and issue of Shares thereof.

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2020 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 All notices of communication to be given by an Option Grantee to the Company in respect of ESOP 2020 shall be sent to the address mentioned below:

Company Secretary

Panacea Biotec Limited

Address: B-1 Extn./G-3, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

E-mail: companysec@panaceabiotec.com

With a copy to:

Head HR

Panacea Biotec Limited

Address: B-1 Extn./G-3, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

E-mail: hrd@panaceabiotec.com

20. Nomination

The Employee has to nominate a person as his nominee. The nominee in case of death or Permanent Incapacity of Employee shall be the legal representative recognized by the

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Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

21. Jurisdiction

- 21.1 The Courts in New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2020.
- 21.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2020:
- (i) in any other court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.

22. Listing of the Shares

Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed or proposed to be additionally listed.

23. Severability

In the event any one or more of the provisions contained in this ESOP 2020 shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this ESOP 2020, but ESOP 2020 shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOP 2020 shall be carried out as nearly as possible according to its original intent and terms.

24. Confidentiality

- 24.1 An Option Grantee must keep the details of the ESOP 2020 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 shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any

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consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----End of Plan-----