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Mankind Employees Stock Option Plan 2022

Mankind Pharma Limited

Regd. office: 208, Okhla Industrial Estate, Phase-III,
New Delhi – 110 020

CIN: U74899DL1991PLC044843

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1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called the '**Mankind Employee Stock Option Plan 2022**' ("**ESOP 2022**" / "**Plan**").
- 1.2 The primary objectives of the Plan are to reward the Employees for their association, retention, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate key talent by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Options (defined below) as a long-term incentive tool that would enable the Employees (defined below) not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The Plan was approved by the Board (defined below) on July 19, 2022 and by its shareholders on August 9, 2022, and shall come into effect from August 9, 2022, and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws (defined below), or (ii) the date on which all of the Options available for issuance under the Plan have been granted, vested and exercised, whichever is earlier.
- 1.4 The ESOP 2022 has been framed in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**") and the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, each as amended and other applicable rules, regulations and provisions of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof. Subject to provisions of Clause 14 of this Plan, the Board, or the Committee (defined below) as authorized may at any time alter, amend, suspend or terminate the Plan.

2. Definitions and Interpretations

2.1 Definitions

- i. "**Applicable Laws**" means every law relating to Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including the SEBI SBEB & SE Regulations, all relevant tax, securities, exchange control, corporate laws, or amendments thereof including any circular, notification issued thereunder, of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.
- ii. "**Board**" means the Board of Directors of the Company.
- iii. "**Companies Act**" means the Companies Act, 2013, rules made thereunder, and includes any statutory modifications or re-enactments thereof.
- iv. "**Company**" means 'Mankind Pharma Limited', a company registered in India under



the provisions of the Companies Act, 1956 with corporate identification number U74899DL1991PLC044843 and having its registered office at 208, Okhla Industrial Estate, Phase-III, New Delhi – 110 020, India, as the context may require for the purposes of this Plan.

- v. **“Committee”** means the Nomination and Remuneration Committee of the Board, as constituted, or reconstituted from time to time under Applicable Law, including Section 178 of Companies Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, entrusting supervision and administration of this Plan and as designated as the “compensation committee” in terms of the SEBI SBEB & SE Regulations.
- vi. **“Closing Date”** means the last date on which the Grant of Options by the Company to an eligible Employee can be accepted. In case the last date is a non-working day, then the Closing Date shall be on the next working day.
- vii. **“Death”** for the purpose of this Plan shall mean death of an Employee during the continuance of employment or service of the Company.
- viii. **“Director”** means a member of the Board.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for determining the eligibility of the Employees for Grant of Options under the Plan.
- x. **“Employee”** means (a) a permanent employee of the Company who has been working in or outside India; or (b) a Director of the Company, whether a whole-time Director or not but excluding an Independent Director; or (c) an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India but does not include:
 - (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - (ii) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Shares of the Company

Provided further that post Listing, the term “Employee” shall be defined as below in compliance with the SEBI SBEB & SE Regulations.

“Employee” shall mean -

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- (iii) An Employee as defined in sub-clauses (i) or (ii), of a Group company including Subsidiary Company or its Associate Company, in India



or outside India, of the Company; but does not include-

- a. an employee who is a Promotor or a person belonging to the Promoter Group; or
 - b. a Director who, either himself or through his relative or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
- xii. **“ESOP 2022”** means this ‘Mankind Employee Stock Option Plan 2022’, under which the Company is authorized to grant Options to the Employees.
- xiii. **“Exercise”** means expression of intention in writing by an Option Grantee to the Company to issue Shares underlying the Options vested in him, in pursuance of this Plan, in accordance with the procedure laid down by the Company for Exercise of Options.
- xiv. **“Exercise Period”** means such time period commencing after Vesting within which the Employee should exercise the Options vested in him in pursuance of the Plan, as more particularly specified at Sub-clause 8.2 of the Plan.
- xv. **“Exercise Price”** means the price determined by the Committee as per provisions of this Plan and specified in the Grant Letter, being payable by an Employee upon Exercise of the Options vested in him in pursuance of the Plan.
- xvi. **“Fair Market Value”** means fair market value of a Share of the Company as determined by a registered valuer appointed as per the provisions of the Companies Act.
- Provided that** after Listing, the term ‘Fair Market Value’ shall refer to “Market Price” within the meaning of the SEBI SBEB & SE Regulations.
- xvii. **“Grant”** means the process of issue of Options to the Employees by the Company under the Plan.
- xviii. **“Grant Letter”** means the formal communication in writing as regards Grant made by the Company to the Employee containing specific details, terms, and conditions of the Options.
- xix. **“Group”** means two or more companies which, directly or indirectly, are in position to-
- i. exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. appoint more than fifty percent, of the members of the board of directors in the other company; or
 - iii. control the management or affairs of the other company.
- xix. **“Independent Director”** shall have the same meaning assigned to it under Section



149(6) of the Companies Act 2013 and as per SEBI LODR Regulations, 2015

- xx. **“Listing”** means listing of the Company’s Shares on any recognized Stock Exchange pursuant to an initial public offer (“IPO”) of Shares or otherwise.
- Explanation:** IPO shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- xxi. **“Misconduct”** means any of the following acts or omissions by an Option Grantee in addition to any provisions prescribed in the offer letter 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:
- (i) dishonest statements or acts of an Option Grantee, with respect to the Company;
 - (ii) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company;
 - (v) participating or abetting a strike in contravention of any law for the time being in force; and
 - (vi) misconduct as provided under applicable labour laws after following the principles of natural justice.
- xxii. **“Option”** means the option given to an Employee which gives such an Employee a right but not an obligation to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price.
- xxiii. **“Option Grantee”** means an Employee who has been granted Option(s) and has accepted such Grant as required under the Plan.
- xxiv. **“Options Pool”** means such number of Shares that the Company decides to reserve for granting of Options to the existing and future Option Grantees under ESOP 2022 as set out in Clause 3.1 of this Plan.
- xxv. **“Permanent Incapacity”** means any disability or incapacitation while in employment or service, of whatsoever nature, be it physical, mental, or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said personnel was capable of performing immediately before such disablement, as determined by the Committee.
- xxvi. **“Plan” or “ESOP 2022”** means this Mankind Employee Stock Option Plan 2022, as may be amended from time to time, and under which the Company is authorized to Grant



Stock Options to Option Grantees.

- xxvii. **“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;
- xxviii. **“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;
- xxix. **“Retirement”** means retirement or superannuation as per the human resource policy of the Company.
- xxx. **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended and enacted from time to time, read with all circulars and notifications issued thereunder.
- xxxi. **“Secretarial Auditor”** means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxxii. **“Share”** means an equity share of the Company of face value of Re.1 (Rupee one) each fully paid-up including the equity shares arising out of the Exercise of Options granted under this Plan.
- xxxiii. **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other recognized Stock Exchange in India on which the Shares are listed or to be listed in future.
- xxxiv. **“Subsidiary Company”** means any present or future subsidiary company of the Company determined as per provisions of the Companies Act
- xxxv. **“Unvested Option”** means an Option, which is not a Vested Option.
- xxxvi. **“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.
- xxxvii. **“Vesting”** means the process by which the employee becomes entitled to receive the benefit of the right to Exercise the Options granted to him in pursuance of the Plan.
- xxxviii. **“Vesting Condition”** means the condition(s) prescribed, if any, subject to satisfaction of which, the Options granted would vest in an Option Grantee.
- xxxix. **“Vesting Date”** means the date(s) on which Grant of Options would vest to an Option Grantee, upon completion of the Vesting Period and compliance with any other



conditions specified.

- x1. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Plan 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 for 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;
- (e) in the context of an Employee of the Group company including the Subsidiary Company or Associate Company, any reference to Company Policies, terms of employment shall refer to such Group company including the Subsidiary Company or Associate Company, as the case may be;
- (f) a reference to a schedule includes a reference to any part of that schedule which is incorporated by reference; and
- (g) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act and Applicable Laws including the SEBI SBEB & SE Regulations, as the context requires. Reference to any act, rules, statute or notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their special resolution dated August 9, 2022 approved the Plan authorizing the Committee to Grant not exceeding 8,175,274 (Eighty One Lacs Seventy Five Thousand Two Hundred Seventy Four) Options (**“Options Pool”**) to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 8,175,274 (Eighty One Lacs Seventy Five Thousand Two Hundred Seventy Four) Shares, 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 that may be Granted, under one or multiple Grants, to an Employee shall vary depending upon the eligibility criteria such as tenure, designation and the appraisal, ratings; however, shall not exceed 400,000 (Four Lacs) Options.



However, the Committee reserves the right to decide the number of Options to be Granted and the maximum number of Options that can be Granted to an Employee within this ceiling.

Provided that if the number of Options that may be Granted to an eligible Employee, during any one year, shall be equal to or more than 1% (one percent) of the issued capital (excluding any outstanding warrants and conversions) of the Company at the time of Grant of Options, then the Company shall take prior approval from shareholders of the Company by way of a special resolution and as a consequence the provisions of the sub-clause above shall stand amended.

- 3.3 If an Option expires, lapses, or becomes un-exercisable due to any other reason, it shall be brought back to the Options Pool specified above and shall become available for future Grants, subject to compliance with the provisions of Applicable Laws and the Plan.
- 3.4 Where Shares are issued consequent upon Exercise of Options under the Plan, the maximum number of Shares that can be issued under sub-clause Clause 3.1 above shall stand reduced to the extent of such Shares which are issued.
- 3.5 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 issued under Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 2 per Share and the revised face value after the Share split is Re 1 per Share, the total number of Shares available under Plan would be (Shares reserved at sub-clause 3.1 x 2) Shares of Re. 1 each. Similarly, in case of bonus issues, rights issues, merger, sale of division and others, the available number of Shares under Plan shall be revised to restore the value, in terms of Sub-clause 4.2(i) of this Plan.
- 3.6 In case of fresh Grant of Options after Listing, the Company shall obtain prior approval from the shareholders of the Company by way of ratification of the Plan. Also, the Company will require an approval from the Stock Exchanges post Listing for this Plan in accordance with Applicable Laws.

4. Administration

- 4.1 The Plan shall be administered by the Committee. All questions of interpretation of the Plan or any Option granted thereunder shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Option granted pursuant to the Plan.
- 4.2 The Committee shall, in accordance with this Plan and Applicable Laws, determine the following:



- (a) The Eligibility Criteria for Grant of Option to the Employees;
- (b) The quantum of Options to be granted to the eligible Employees, subject to the ceilings as specified in sub-clauses 3.1 and 3.2;
- (c) The time when the Options are to be Granted;
- (d) The number of Options to be Granted to each Option Grantee;
- (e) The terms and conditions subject to which the Options Granted would vest in the Option Grantee;
- (f) The specific Vesting Period and Vesting schedule of the Options Granted;
- (g) Determine the Exercise Price of the Options Granted;
- (h) Obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable in this regard;
- (i) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options 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, the following shall, *inter alia*, be taken into consideration by the Committee:
 - (i) the number and price of Options shall be adjusted in a manner such that total value of the Options in the hands of the Option Grantee remains the same after such corporate action; and
 - (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantees.
- (j) The procedure and terms for the Grant, Vesting and Exercise of Options in case of Option Grantees who are on a long leave;
- (k) The conditions under which Options vested in Employees may lapse in case of termination of employment for Misconduct;
- (l) Determine the procedure for buy-back of "specified securities" (as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018) issued under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the Company may buy-back in a financial year;
- (m) Formulate suitable policies and procedures to ensure that there is no violation of Applicable Laws, in relation to this Plan by the Company and the Employees;
- (n) The procedure for cashless exercise of Stock Options, if required, and as permitted under Applicable Laws, including the SEBI SBEB&SE Regulations;
- (o) Approve forms, writings and/or agreements for use in pursuance of the Plan;
- (p) The procedure for funding for Exercise of Options, as permitted under the Applicable Laws;
- (q) The right of an Employee to Exercise all the Options Vested by him at one time or at various points of time within the Exercise Period;
- (r) Appoint such agents as it shall deem necessary for the proper administration of the Plan;
- (s) Make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and



- (t) formulate any other terms and conditions and undertake any other actions, exercise any other rights and perform any other functions as prescribed under applicable laws including the SEBI SBEB&SE Regulations.

4.3 Post Listing, the Committee shall frame suitable policies and procedures to ensure that there is no violation of any securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations, by the Company or any of its Employees, as applicable.

5. Eligibility and Applicability

5.1 Only Employees are eligible for being Granted Options under Plan. The specific Employees to whom the Options would be Granted, and their Eligibility Criteria would be determined by the Committee at its sole discretion.

5.2 In case Grant of Options to Employees of any Subsidiary Company or holding company of the Company, the Company shall obtain separate prior approval of the shareholders of the Company by way of a special resolution and this Plan shall be applicable to such companies.

5.3 The process for determining the eligibility of the Employees may include 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 sole discretion.

(b) Each Grant of Options under the Plan shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws and will specify the number of Options to which the Option Grantee is entitled, the Exercise Price, method of payment, the Closing Date of accepting the offer, Vesting Date(s), Vesting Condition(s), Vesting schedule, and such other details as the Committee may specify.

6.2 Acceptance of the Grant

(a) An eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the Grant on or before the Closing Date, as specified in the Grant Letter.



- (b) Upon receipt by the Company of such signed acceptance, the eligible Employee will become an Option Grantee. Failure to deliver such acceptance before the specified date, shall result in rejection of the Grant and lapse of the offer to such Employee unless the Committee determines otherwise.

7. Vesting Schedule / Vesting Conditions

- 7.1 Options granted under Plan shall vest not earlier than the minimum Vesting Period of **1 (One) year** and not later than maximum Vesting Period of **4 (Four) years** from the date of Grant.

Provided that in case where options are required to be granted by the Company under the Plan in lieu of options held by an employee under a similar plan in another company ("Transferor Company") which has merged, demerged, arranged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by such employee shall be adjusted against the minimum Vesting Period as per the Plan.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

- 7.2 Vesting of Options would be subject to condition that the Employee is not under notice of resignation and that the Vesting Condition(s) specified in the Grant Letter are met.

- 7.3 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter.

7.4 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 long leave (as defined under the applicable HR policies of the Company). In all other events including approved earned leave and 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 Committee shall have the power to decide the Exercise Price subject to conforming to the accounting policies specified in Regulation 15 of the SEBI SBEB & SE Regulations. The Exercise Price per Option shall not be lesser than the face value of the Share of the Company. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.
- (b) Payment of the Exercise Price per Share to be transferred shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by electronic mode



through banking channels such as National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS) or in such other manner as the Committee may decide.

8.2 Exercise Period

(a) Exercise while in employment/ service:

The Exercise Period in respect of a Vested Option shall be subject to a maximum period of **5 (Five) years** commencing from the date of Vesting. The specific Exercise Period shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.

(b) Exercise Period in case of separation from employment / service:

The Options shall have treatment 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 date of notice of resignation / termination shall be exercisable by the Option Grantee on the last working day subject to the Exercise Period specified in the Grant Letter. | All the Unvested Options as on date of notice of resignation/ termination shall stand cancelled with effect from date of such resignation/ termination. |
| 2 | Termination due to Misconduct | All the Vested Options at the time of issuing notice of such termination shall stand cancelled with effect from the date of issuing notice of such termination. | All the Unvested Options at the time of issuing notice of such termination shall stand cancelled with effect from the date of issuing notice of such termination. |
| 3 | Retirement | All the Vested Options as on date of Retirement shall be exercisable by the Option Grantee within 12 (Twelve) months from the date of Retirement. | All the Unvested Options as on the date of retirement shall vest according to vesting schedule and be exercisable within 12 (Twelve) Months from the date of such Vesting. |
| 4 | Death | All the Vested Options as on date of Death can be exercised by the Option Grantee's nominee or legal heirs within an Exercise Period of 36 (Thirty-Six) months from the date of Death. | All the Unvested Options as on date Death shall vest immediately and such Vested Options may be exercised in the manner specified for Vested Options. |



| S. No. | Events of Separation | Vested Options | Unvested Options |
|--------|---|--|---|
| 5 | Permanent Incapacity | All the Vested Options as on date of incurring of such incapacity can be exercised within an Exercise Period of 36 (Thirty-Six) months from the date of incurring such incapacity. | All the Unvested Options as on date incurring such incapacity shall vest immediately and such Vested Options may be exercised in the manner specified for Vested Options. |
| 6 | Other reasons apart from those mentioned above | Subject to Applicable Laws, the Committee shall decide whether the Vested Options which are not exercised as on that date can be exercised by the Option Grantee or not, and such decision shall be final. | All the Unvested Options as on the date of separation shall stand cancelled with effect from such date unless otherwise required under Applicable Laws. |

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

8.4 The Options not exercised within the prescribed Exercise Period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options, which shall immediately get added back to the Options Pool.

9. Lock-in

9.1 The Shares issued upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 as applicable.

10. Restriction on transfer of Options

10.1 Options shall not be directly or indirectly pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

10.2 Options shall not be directly or indirectly 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.

10.3 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 in which case provisions of Sub-clause 8.2(b) would apply.

11. Other Terms and Conditions

11.1 Listing of Shares

In case of Listing, the Board is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant with any Applicable Laws prevailing at that time.

11.2 The Option Grantee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted, till the time Shares are issued to them upon Exercise of such Options.

11.3 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered under the Grant unless the Option Grantee exercises the Option and thereupon, becomes a registered holder of the Shares of the Company.

11.4 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Sub-clause 4.2(i) of Plan.

12. Deduction / recovery of Tax

12.1 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 issued thereunder and/or income tax laws of respective countries as applicable to eligible Option Grantees working abroad, if any.

12.2 The Company shall have the right to deduct from the Option Grantee'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.

12.3 The Company shall have no obligation to issue Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

13.1 The Committee or the Board may, if it deems necessary, vary the terms of the Plan, subject to compliance with the requirements of the Applicable Laws and approval by way of special



resolution to be passed by the shareholders in a general meeting in such manner that such variation is not detrimental to the interest of the Employees. The Board and shareholders shall be entitled to vary the terms of the Plan to meet any regulatory requirements. No change shall be made in the terms of options granted prior to the IPO, whether by repricing, change in vesting period or maturity or otherwise unless prior approval of the shareholders, by way of special resolutions, is taken for such a change, except for any adjustments for corporate actions made in accordance with this Plan.

The Board shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution, subject to Applicable Laws.

- 13.2 The Company 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 value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

14. Miscellaneous

14.1 Government Regulations

This Plan shall be subject to all Applicable Laws, and approvals from governmental authorities, if any required.

- 14.2 The Company shall issue to the relevant Employee, all Shares arising from Exercise of Options and after payment of applicable taxes, only in dematerialized form. The demat account into which such Shares will be credited, must be in the name of the relevant Employee only and not jointly with any other person.

14.3 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 of any and all liability in respect of the failure to issue or sell such Shares.

- 14.4 Neither the existence of this Plan nor the fact that an Employee has on any occasion been granted an Option shall give such Employee any right, entitlement or expectation that the Employee has, or will in the future, have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.

- 14.5 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).

- 14.6 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.
- 14.7 Participation in Plan shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Option Grantee alone.

15. Accounting and Disclosures

- 15.1 The Company shall follow the rules/regulations applicable to accounting of Options including with reference to Fair Market Value of Shares as on date of Grant.
- 15.2 The rules/regulations to be followed shall include but not be limited to Section 133 of the Companies Act, the IND AS / 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 or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein, in accordance with Applicable Laws.
- 15.3 The Company shall comply with any applicable accounting and disclosure requirements as prescribed under Applicable Laws, including under Regulation 15 of the SEBI SBEB & SE Regulations.

16. Certificate from Secretarial Auditors

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

17. Governing Laws and jurisdiction

- 17.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Laws of India including the foreign exchange laws.
- 17.2 The High Court at New Delhi and courts subordinate to it shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- 17.3 Foreign Exchange Laws
In case any Options are granted to any Employee being resident outside India belonging to the Company set-up 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 and other Applicable Laws shall be applicable, and the Company has to comply with such requirements as prescribed in connection with grant, vest, exercise of employee stock options and allotment of Shares thereof. Any loss occurred on account of fluctuations in the foreign exchange rate will be solely borne by the Option Grantee.

17.4 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:

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

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this Plan shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 Any communication to be given by an Option Grantee to the Company in respect of Plan shall be sent at the address mentioned below or e - mailed at:

Company Secretary

Mankind Pharma Limited

208, Okhla Industrial Estate, Phase-III, New Delhi – 110 020

Email: pradeep.chugh@mankindpharma.com

19. Severability

In the event any one or more of the provisions contained in this Plan 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 Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

20. Confidentiality

20.1 An Option Grantee must keep the details of the Plan 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.

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

