CAPLIN POINT LABORATORIES LTD.

CAPLIN POINT EMPLOYEE STOCK OPTION PLAN 2017

CERTIFIED TRUE COPY

For CAPLIN POINT LABORATORIES LTD.

Company Secretary

CAPLIN POINT EMPLOYEE STOCK OPTION PLAN 2017

1. TITLE

This Plan shall be called the Caplin Point Laboratories Limited Employees Stock Option Plan, 2017 (**"Caplin Point ESOP 2017" or "Scheme" or 'Plan').**

2. OBJECT

Human resources are key to the growth of any successful organization and it is necessary for an organization to adopt effective measure to attract, retain and reward talent. To achieve this purpose, it is proposed to roll out an Employee Stock Option scheme to eligible employees of the Company. The main objective will be to attract, retain and reward employees by providing opportunity to participate in the growth of the Company through owning equity shares.

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

3. DEFINITIONS

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

3.1 "**Act**" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force and rules notified under the Companies Act, 2013.

3.2 "**Allotment**" refers to the issue of Shares by the Company to the Eligible Employees pursuant to Exercise of Options granted to them.

3.3 "**Board of Directors**" or "**Board**" means the Board of Directors for the time being of the Company or any committee thereof.

3.4 "**Change in Capital Structure**" means a change in the capital structure of the Company as a result of re-classification of Shares, splitting up of the face value of Shares, sub-division of Shares, issue of bonus Shares, conversion of Shares into other Shares or Securities of the Company and any other change in the rights or obligations in respect of Shares.

3.5 "**Company**" or "**Caplin Point**" means Caplin Point Laboratories Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 'NARBAVI", No.3, Lakshmanan Street, T.Nagar, Chennai-600 017, Tamil Nadu, INDIA.

3.6 "**Corporate Action**" means one of the following events:

(i) The merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the shares are converted into or exchanged for:

(a) a different class of Securities of the Company; or
(b) any Securities of any other issuer;or
(c) cash; or
(d) other property.

(ii) The sale, lease or exchange of all or substantially all of the assets or undertaking of the Company.

(iii) The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.

(iv) Acquisition by any company, person, entity or group of a controlling stake in the Company. For this purpose 'Controlling Stake" shall mean more than 50% of the voting share capital of the Company.

(v) Rights issue, bonus issue and others.

Any other event, which in the opinion of the Board has a material impact on the business of the Company, which requires corporate action.

3.7 "**Director**" means the Member of Board of Directors of the Company.

3.8 **"Disability"** shall mean "Permanent total Disability" as defined in the Workmen's Compensation Act, 1923.

3.9 "**Effective Date**"for the Scheme means the date decided by the Board of Directors of the Company to be the Effective Date.

3.10 **"Eligible Employee"** means

(i) a permanent employee of the company who has been working in India or outside India; or
(ii) a director of the company, whether a whole time director or not but excluding an independent director; or
(iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, but does not include

(a) an employee who is a promoter or a person belonging to the promoter group; or
(b) a director who either himself or through his relative or through any body corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the company:

3.11 "**Exercise**" means making an application by an employee to the company for issue of shares against vested options in pursuance of the Scheme.

3.12 "**Exercise Date**" means the date on which an Employee exercises his/her option to acquire the Equity shares of the company.

3.13 "**Exercise Period**" means the time period after vesting within which an employee should exercise his right to apply for shares against the vested option in pursuance of the scheme.

3.14 "**Exercise Price**" means the price payable by the employee for exercising the Option granted under the Plan as may be decided by the NRC from time to time. However the Exercise Price shall not be less than the par value of the Equity Shares of the Company.

3.15 **"Equity Share"** means an equity share in the Company of the face value of Rs. 2/- (rupees Two Only) each or where the equity share of the Company has been split up into a par value of less than Rs. 2/- (Rupees Two Only), then the equivalent number of equity shares for the revised par value per equity share.

3.16 "**Grant**" means the process by which company issues options under the Scheme.

3.17 "**Option**" means an option given to an employee which gives him/her the right to purchase or subscribe at a future date, the shares offered by the company, at a pre-determined price;

3.18 **"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. If such shares are listed on more than one Stock Exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

3.19 **"Nomination and Remuneration Committee"or 'NRC' or 'ESOP Committee'** means the of Nomination and Remuneration Committee as constituted by the Board of Directors of the Company in compliance with the provisions of the Act and Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

3.20 "**Optionee**" means an Eligible Employee who has been granted an Option under this Scheme and where the context requires shall include the guardian of an incapacitated Eligible Employee and the nominee or legal heir of a deceased Eligible Employee.

3.21 **"Permanent Incapacity"** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the ESOP Committee based on a certificate of a medical expert identified by such ESOP Committee.

3.22 **`Promoter`** shall have the same meaning assigned to it under the SEBI (Issue and Capital and Disclosure) Requirements 2009;

3.23 **`Promoter group`** shall have the same meaning assigned to it under the SEBI (Issue and Capital and Disclosure) Requirements 2009;

3.24 "**Relevant date**" means

a) in the case of grant, the date of meeting of the Nomination and Remuneration committee on which the grant is made or
b) in the case of exercise, the date on which the notice of exercise is given to the Company by the Employee.

3.25 "**Resultant Shares**" means the shares or other Securities issued in lieu of the shares of the Company, on any "Change in Capital Structure" or on any "Corporate Action".

3.26 "**SEBI**" means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.

3.27 "**SEBI Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by SEBI, as amended from time to time.

3.28 "**Subsidiary**" means a subsidiary of the Company as defined in the Act.

3.29 "**Successor**" of an Optionee means a legal representative of the estate of a deceased Optionee or the person or persons who shall acquire the right to Exercise an Option by operation of law or due to death of the Optionee.

3.30 "**Unvested Option**" means an Option in respect of which the relevant Vesting Period has not yet completed and as such, the Optionee has not become eligible to Exercise the Option.

3.31 "**Vesting**" means the process by which the employee becomes entitled to receive the benefit of a grant made to him under any of the schemes;

3.32 **"Vesting Period"** means the period during which the vesting of option granted under the Scheme take place.

3.33 "**Vesting Date**" means the earliest date on which an Optionee may exercise the rights under the Options.

3.34 "**Vested Option**" means an Option in respect of which the relevant Vesting Period has been completed and the Optionee has become eligible to Exercise the Option.

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

4. STOCK SUBJECT TO PLAN

4.1 The maximum aggregate number of Shares, which may be subject to Option and granted under the Scheme to all the eligible employees, is 5,00,000 (Five Lakhs). The maximum number of options that may be granted to one employee shall not be more than 25,000 options.

Further, the Company shall take approval of Shareholders by way of separate resolution in the general meeting in case of:

- Grant of Option to Employees of Subsidiary and
- Grant of Option to identified Employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option, as the case, may be.

4.2 If the options granted under the Scheme lapses or is forfeited under any provision of the Scheme, such option shall be available for further Grants under the Plan (unless the Scheme is terminated)

5. IMPLEMENTATION

5.1 The Plan shall be implemented by the NRC formed by the Company under the broad policy and framework laid down by the Board of Directors in accordance with the authority delegated to the NRC in this regard from time to time.

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

6. EFFECTIVE DATE AND PLAN DURATION

The Plan is established and shall be effective as from the Effective Date subject to the approval from the Shareholders of the Company in terms of the Act and SEBI Regulations, and shall continue to be in force until the date on which all of the Options available under the Plan have been Vested and Exercised.

7. COMPENSATION COMMITTEE

7.1 The Nomination & Remuneration Committee of the Board constituted by the Company pursuant to the provisions of Section 178 of the Act is hereby designated as the 'Compensation Committee' for administration and superintendence of the ESOP Scheme 2015. The Board, shall at its sole discretion, have the power to appoint any director as a member of the Compensation Committee and to remove any such director so appointed and appoint another in his place and any such appointment and/or removal shall be made by a resolution of the Board, such that the composition of the Compensation Committee at all times is in compliance of the requirements under Section 178 of the Act or any other applicable regulations. The Compensation Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit. The Compensation Committee, in the exercise of its powers, may require any information from

the Company and/or seek the assistance of any Employee as it may deem fit, to fully and effectively discharge its duties.

7.2 The powers of the Compensation Committee, *inter alia*, include the following:

(i) to frame various Plan Series under the ESOP Scheme 2017 from time to time;

(ii) to determine the employees to whom options are to be granted, number of Options to be granted per Employee and in aggregate, the Exercise Price, the Vesting Date, the Vesting schedule and the proportion of Options that shall vest on each of the Vesting Dates and other terms and conditions in respect of each Plan Series;

(iii) to determine the Vesting conditions, that are required to be fulfilled by the Employees;

(iv) lay down the terms and conditions based on which the Options vested in Optionees may lapse, continue, or be retained by Optionees, in case of termination of employment (other than resignation) of such Optionees and the Compensation Committee in framing such terms shall be guided by the provisions of this ESOP Scheme 2017 and applicable law;

(v) lay down the terms and conditions based on which Options vested in Optionees may lapse, in case of voluntary surrender of Options by Optionees and the Compensation Committee in framing such terms shall be guided by the provisions of this ESOP Scheme 2017 and applicable law;

(vi) lay down the terms and conditions based on which vested Options may be permitted to be exercised in case of resignation by such Optionees and the Compensation Committee in framing such terms shall be guided by the provisions of this ESOP Scheme 2017 and applicable law;

(vii) to determine the Exercise Period within which the Optionee should Exercise the Options and terms on which the Options would lapse on failure to Exercise the same within the Exercise Period;

(viii) to determine the Vesting Period within which the Vesting conditions should be fulfilled so that the Options vest with the Optionees;

(ix) to specify the time period within which the Optionees shall Exercise the vested Options, in the event of resignation by Optionees;

(x) lay down, in compliance with applicable law, including the SEBI Regulations and the applicable accounting policies, the procedure, mechanism and formula/construct for making fair and reasonable adjustments to the number of Options and/or to the Exercise Price in case of any Corporate Action or pursuant to any Change in Capital, such that it is not prejudicial to the interest of the Optionees;

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

(xii) to lay down the method for satisfaction of any tax obligation arising in connection with the Options or the Shares;

(xiii) to provide for the Award, Vesting and Exercise of Options in case of Optionees who are on long leave;

(xiv) to formulate terms and mechanism for repricing of the Options, whether by way of change in the number of Options or the Exercise Price or both, such that the terms are not prejudicial to the interest of the Optionees;

(xv) to lay down the procedure for transfer of benefits granted to the Optionees under the ESOP Scheme 2017 in the case of transfer/deputation of the Optionees to any Subsidiary, as applicable;

(xvi) to formulate other detailed terms and conditions of the ESOP Scheme 2017 including terms in relation to the matters enumerated hereinbefore;

(xvii) administration and superintendence of the ESOP Scheme 2017.

7.3. The number of members of the Compensation Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board. The Board may further provide that the Compensation Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.

7.4. No person of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the ESOP Scheme 2017.

8.0 GRANT OF OPTIONS

The ESOP Committee may from time to time Grant Options to one or more Employee(s), which may include recurring Options to the same Employee. The aggregate number of Shares underlying an Option that may be granted under the Plan shall be decided by the ESOP Committee / shall not exceed 5,00,000 Options.

Unless agreed to otherwise between the Company and any Employee, the Grant of an Option to an eligible Employee under this Plan shall entitle the holder of the Options to apply for one Share in the Company upon payment of Exercise Price set out in this Plan. Subsequent Options may be granted at such price as may be determined by the Board.

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

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

9. APPRAISALS AND ELIGIBILITY OF AN ELIGIBLE EMPLOYEE

9.1 Only the Eligible Employees will be granted options under the Scheme.

9.2 Neither the Plan nor any other option scheme shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as employee with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, for any reason whatsoever.

9.3 The appraisal process shall include evaluation of an employee based on one or more criteria for determining eligibility of the employees to be granted options, including but not limited to the following:

i Work related or academic performance of the employee
ii Length of service / Position Held
iii Potential of the employee to contribute to the Company's / Subsidiary's performance
iv The extent of contribution made by the employee towards business results, achievement of medium to long term performance plans and processes, and customer satisfaction or Employee satisfaction.
vi High market value /difficulty in replacement.
vii High risk of losing the employee to competition.

10. VESTING OF OPTIONS

10.1 The options granted under the Scheme shall vest in 3 equal tranches commencing from completion of 5th year from the date of grant of options, unless otherwise specified by the Nomination and Remuneration Committee. In any event, the vesting period shall not be less than 1 year and not more than 8 years from the date of grant of options. Vesting may happen in one or more tranches. The Vesting schedule as decided will be stipulated in the Option letter to be issued to Individual employees.

10.2 Notwithstanding anything to the contrary in this Plan, the ESOP Committee shall be entitled to make the Vesting of any or all of the Options granted to an Eligible Employee conditional upon the fulfillment of such performance criteria whether of the Eligible Employee and/ or

any team or group of which he is a part and/ or of the Company, as may be determined by the ESOP Committee or determine a Vesting schedule other than as specified herein below for any Eligible Employee.

10.3 In the event of any Optionee:

(i) Dying whilst in the employment or engagement of the Company; or
(ii) Becoming totally and permanently disabled while in service of the Company; or

The rights and obligations under the Options Vested in such Optionee shall accrue to his legal heirs or continue in his/her hands, as the case may be and the Exercise of the Vested Options shall be accelerated as set out in this Plan. Provided however, that in any of the above cases, the ESOP Committee may in its absolute discretion permit the Exercise of any Unvested Options and/ or modify the Exercise Period of any Vested Options and the other conditions as it may deem fit, notwithstanding anything to the contrary stated elsewhere in this Plan.

11. EXERCISE OF OPTIONS

11.1 All Vested Options shall be respectively exercised in one or more tranches within a period of 7 years from the respective dates of Vesting, failing which the Options shall lapse.

Provided however, that in case of cessation of employment, the Vested Options shall lapse/ be exercised in accordance with the provisions of Clause 10 of this scheme.

11.2 The Optionee may Exercise the Options by submitting an application to the Board of Directors to issue and allot him Shares pursuant to the Vested Options, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares and such other writing, if any, as the Board may specify to confirm extinguishment of the rights comprising in the Options then Exercised.

11.3 The Scheme does not contemplate cashless exercise of options.

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

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

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

11.6 The Optionee may appoint any person(s) as nominee(s) for the purpose of exercising the rights

on his death, subject to the terms and conditions of the Plan. The Optionee shall appoint such nominee(s) by submitting a letter in the form specified by the ESOP Committee in this regard. The Optionee has the right to revoke/change such nomination. The nominee(s) shall alone be entitled to Exercise the rights of the Optionee concerned in the event of the death of the Optionee. If the Optionee fails to make a nomination, the Shares shall vest on his / her legal heirs in the event of his / her death.

11.7 Notwithstanding anything contained elsewhere in the Plan, the ESOP Committee and / or the Board may:

(i) Not permit the Exercise of any Options (whether Vested or not) granted to an Eligible Employee, in the event of the Eligible Employee being found to be involved in fraud, misfeasance, gross negligence, breach of trust, etc. and in such an event the rights under the Options (whether Vested or not) shall lapse, forthwith, without any claim on or recourse to the Company.

(ii) If the Exercise of Options within the Exercise Period, is prevented by any law or regulation in force, defer or not to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Optionee for any loss suffered due to such refusal.

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

11.8 In the event of long-term leave, i.e., for a period exceeding three months, the employee will have the option to exercise the options through a duly constituted attorney of the Employee.

12. CESSATION OF EMPLOYMENT

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

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

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

"Cause" shall mean, as determined by the ESOP Committee,

(i) The continued failure of the Optionee to substantially perform his duties to the Company (other than any such failure resulting from retirement, death or disability as provided below); or
(ii) The engaging by the Optionee in willful, reckless or grossly negligent misconduct which is determined by the ESOP Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise; or
(iii) Fraud, misfeasance, breach of trust or wrongful disclosure by the Optionee of any secret or confidential information about the Company; or
(iv) The Optionee is found to be of or becomes unsound mind; or
(v) The Optionee commits an act of insolvency; or
(vi) The Optionee is convicted by court of any offence; or
(vii) The Optionee found to be involved in any activity of morale turpitude.

12.2 In case of resignation by an Optionee, all Options which are Vested Options on the date of resignation shall be Exercised by the Optionee before the expiry of 30 (thirty) days from the date of tendering resignation or the generally prescribed Exercise Period for such Options, whichever is earlier, failing which all the Options that yet to be Exercised shall lapse irrevocably and the rights there under shall be extinguished. All Unvested Options, on the date of submission of resignation shall expire and stand, terminated with effect from that date.

12.3 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,

(i) all Vested Options should be Exercised by the Optionee immediately after, but in no event later than six months from the date of such Optionees retirement, and

(ii) all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the ESOP Committee whose determination will be final and binding.

However, in case of retirement by an employee after the end of 5th year from the date of grant, all unvested options (all 3 tranches) will vest immediately on such retirement and will available for exercise not later than six months of such Optionee's retirement.

12.4 In the event of cessation of employment by death or Permanent Incapacitation of an Optionee whilst in employment, all Options granted to such Optionee till the date of death or Permanent Incapacitation, shall vests in him / legal heir, as applicable, on that day. In case of the death or Permanent Incapacitation of any Optionee, all Options which are Vested Options on the date of death or permanent incapacitation shall be Exercised by the nominee /beneficiary, or the legal heir or such Optionee or his legal guardian as the case may be, before the expiry of one year from the date of the death or Permanent Incapacitation of such Optionee or the generally prescribed Exercise Period for such Options, whichever is earlier, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. However, the Unvested Options can be Exercised only after one year from the date of Grant.

13. TERMS AND CONDITIONS OF SHARES

13.1 All Shares acquired under the Plan will rank *paripassu* with all other Shares of the Company for the time being in issue, save as regards any right attached to any such Shares by reference to a record date prior to the date of Allotment.

13.2 Neither an Optionee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Shares for which the Option is Exercised until such Shares are allotted by the Company.

14. CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

14.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the ESOP Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined herein.

14.2 The Shares in respect of which the Options are granted, are Shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a 'Change in the Capital Structure' of the Company, the number of Resultant Shares with respect to which the Options may thereafter be Exercised shall, in the event of:

(i) An increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced; or

(ii) A reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price be proportionately increased.

Provide further than in case the provisions of applicable law restrict / prohibit the issue of shares at a discount to its par or the other value, the Exercise Price shall not be less than such amount as prescribed under such law.

14.3 In the event of 'Corporate Action', the ESOP Committee at least seven days prior to any'Corporate Action" or sixty days thereafter, acting in its absolute discretion with or without the consent or approval of the Eligible Employee, as it may deem fit, shall in respect of the outstanding Options act on any of the following alternatives :-

(i) Provide that on any Exercise of Options hereafter, the Optionee shall be entitled to the Shares and / or Resultant shares as if the Optionee had been a holder of the Shares on the date of the Corporate Action.

(ii) make such adjustments to the Options outstanding to reflect the `Corporate Action` as may be necessary, such that the adjustments are not prejudicial to the interest of the Employees;

(iii) Substitute the Options granted, by fresh Options whether in the Company or another company, which have substantially the same terms as the Options granted under this Plan.

(iv) Accelerate the Vesting and / or the Exercise of the Options so that the Options are to be compulsorily Exercised before the date specified by the ESOP Committee failing which they shall lapse.

(v) Require the mandatory surrender to the Company, by all or some of the Optionees, of all or some of the outstanding Options, irrespective of whether the Options, have Vested or not, as on that date. In such an event the ESOP Committee shall pay to such Eligible Employee an amount, in cash or otherwise, per New Stock Option, as the case may be, of the "Surrender Value" after deducting the balance Exercise Price payable, if any.

Provided, however, unless specifically agreed otherwise upon by the Board, all Unvested Options on the date of any Corporate Action as envisaged above, shall lapse and the Optionee shall not be entitled to any compensation of any nature whatsoever.

14.4 In the event the Company comes out with a rights issue and / or announces bonus shares, the ESOP Committee shall have the right to cancel all or part of the outstanding Grants whether Vested or Unvested and / or make fresh grants on terms not prejudicial to the employees including allowing the employees to accelerate the Vesting to enable them to Exercise the Options such that the Eligible Employees can participate in the rights and / or bonus issue in the same manner as the other eligible shareholders.

15 AMENDMENT OR TERMINATION OF THE PLAN

15.1 The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof, provided that no amendment, alteration or termination in any Grant previously made may be carried out, which would impair or prejudice the rights of the Optionee without the consent of the Optionees.

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

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

16. OTHERS

16.1 No Right to any Option:

Neither the adoption of the Plan nor any action of the Board of Directors or ESOP Committee

shall be deemed to give an employee any right to be granted any Option or to acquire Shares or to any other rights, nor shall it create any right in any employee to claim any New Stock Option as a matter of right.

16.2 No Employment Rights Conferred:

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

(i) give or confer upon such Eligible Employee any right for continuation of any employment with his Employer; or

(ii) Interfere in any way with the right of the Employer to terminate the employment of such Eligible Employee at any time and for any reason whatsoever.

16.3 SURRENDER OF OPTIONS:

An employee may surrender his vested / unvested options at any time during his employment with the company.

Any employee willing to surrender his options shall communicate the same to the company. Thereafter the surrendered options shall expire with effect from the date of surrender of options and become available for future grant under the Scheme (unless the Scheme has been terminated)

17 TAX DEDUCTION AT SOURCE AND TAX RECOVERY:

The Company shall have the right to deduct all taxes payable either by the Eligible Employee / Optionee, in connection with all Grants / Options / Shares under this Plan, by way of deduction at source from salary and in addition to require any payments necessary to enable it to satisfy such obligations.

All tax / duty / cess liabilities arising on disposal of the Shares after Exercise would require to be handled by the Optionee alone and the Optionees are advised to consult their respective tax advisors in this respect.

18 NO RESTRICTION OF CORPORATE ACTIONS

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

Nothing contained in the Plan shall be construed to prevent the Company from taking any Corporate Action which it deems appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Grant made under the Plan.

19. CONFIDENTIALITY

The Optionee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan. Any violation may result in cancellation of the offer without prejudice to the other action, which may be taken in this regard.

20 INSIDER TRADING

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

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

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

21. NEW PLANS

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

22. RESTRICTION ON TRANSFER OF OPTIONS:

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

23. PLAN SEVERABLE

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

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

24. DIVIDEND

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

25. NOTICES

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

26. ARBITRATION

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

27. GOVERNING LAW

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