

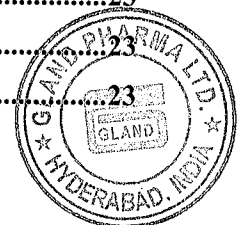
Gland Pharma Limited
Gland Pharma Employee Stock Option Plan 2019



GLAND PHARMA LIMITED

GLAND PHARMA EMPLOYEE STOCK OPTION PLAN 2019

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1 Name of the Plan

This Plan shall be termed as Gland Pharma Employee Stock Option Plan 2019 (“Plan” or “ESOP 2019”)¹. The Plan has been approved by a special resolution² passed on 24 May 2019 (“Adoption Date”) at the Extraordinary/Annual General Meeting of the Shareholders. The Plan shall be effective from the Adoption Date herein after referred to as the “Effective Date”. The effectiveness of the Plan shall be subject to the passing of the necessary resolutions by the shareholders of Fosun International and Fosun Pharma in general meetings to approve the adoption of the Plan.

This document sets out the terms and conditions of the Plan.

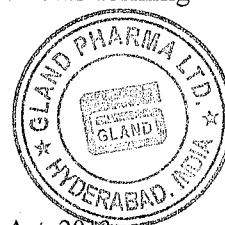
2 Purpose of the Plan

Gland Pharma Limited (“Company” or “GPL”), a company incorporated under the Companies Act, 1956 and having its registered office at Survey No. 143-148, 150 & 151, Near Gandimaisamma ‘X’ Roads, D.P. Pally, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District, Hyderabad 500043, Telangana, India has structured this Plan for its Employees in or outside India. The purpose of this Plan is as under:

- a) To reward employees for past as well as future performance;
- b) To link interests of employees with shareholders;
- c) To foster ownership; and
- d) To reward for loyalty.

3 Definitions

- 3.1 “Acceptance Form” shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan and any Notified Scheme(s) under the Plan.
- 3.2 “Applicable Laws” shall mean laws of India to the extent applicable and as amended, modified and substituted from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws’ provisions thereof.
- 3.3 “Aggregate Exercise Price” shall mean the Exercise Price and any other sums due to the Company by the Participant as per Clause 11 and Clause 20 of the Plan in respect of Exercise of the Options.
- 3.4 “Beneficiary” or “Nominee” means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will or probate of the Participant to receive the benefits specified in the Plan and the relevant Notified Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Plan and the relevant Notified Scheme or any other agreements forming part thereof.
- 3.5 “Board”³ means the Board of Directors of the Company.



¹ To comply with Clause 2(1)(g) of the SEBI Regulations

² To comply with Clause 6(1) of the SEBI Regulations and Section 62(1)(b) of The Companies Act, 2013

³ To comply with Section 2(10) of The Companies Act, 2013

- 3.6 “Cause” means negligence, fraud, professional misconduct, moral turpitude etc. as per Group’s policy.
- 3.7 “Closing Date” means the last date on which the offer of Options granted by the Company to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day.
- 3.8 “Company”⁴ shall mean Gland Pharma Limited, a company incorporated and registered under the Companies Act, 1956 having its registered office at Survey No. 143-148, 150 & 151, Near Gandimaisamma ‘X’ Roads, D.P. Pally, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District, Hyderabad 500043, Telangana, India.
- 3.9 “Committee”⁵ means nomination and remuneration committee as created by the Board for administration and superintendence of the Plan and the Notified Scheme(s) thereunder and consists of such members of Board as provided under Section 178 of Companies Act, 2013.
- 3.10 “Control”⁶ shall have the same meaning as defined under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 3.11 “Corporate Action” shall have the same meaning as ascribed to it in Clause 19.1.
- 3.12 “Director”⁷ means a Director of the Company.
- 3.13 “Eligible Employee”⁸ for the purpose of this Plan and the Notified Scheme means the identified Employee(s) as per Clause 5 below.
- 3.14 “Employee”⁹ means -
- (a) a permanent employee of the Company working in India or outside of 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 sub-Clause (a) and (b) above of a Subsidiary of the Company, 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 himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.
- 3.15 “Exercise”¹⁰ means making of an application by the Participant to the Company for issue of shares against Vested Options to him/her in pursuance of the Plan and Notified Scheme (s) on payment of Exercise Price.
- 3.16 “Exercise Date” means the date on which the Participant exercises his right to apply for shares against the Vested Options and in case of partial Exercise, shall mean each date on which the Participant/ Beneficiary exercises his right to apply for part of his Vested Options.

⁴ To comply with Section 2(20) of The Companies Act, 2013

⁵ To comply with Clause 5(1) & 5(2) of the SEBI Regulations

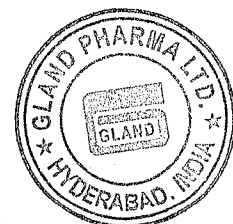
⁶ To comply with Clause 2(1)(d) of the SEBI Regulations

⁷ To comply with Section 2(34) of The Companies Act, 2013

⁸ To comply with Clause 4 of the SEBI Regulations

⁹ To comply with Clause 2(1)(f) of the SEBI Regulations

¹⁰ To comply with Clause 2 (1)(i) of the SEBI Regulations



- 3.17 “Exercise Period”¹¹ means the time period after Vesting within which an Employee should Exercise his right to apply for Shares against the Vested Options in pursuance of Plan and the relevant Notified Scheme(s), as applicable, and which period shall end in any event not later than 10 years from the Grant Date subject to the provisions for early termination thereof.
- 3.18 “Exercise Price”¹² means the price, if any, payable by the Employee for exercising the Option granted to him in pursuance of the Plan and relevant Notified Scheme(s).
- 3.19 “Fair Market Value” or “FMV” on any date of determination will be (a) if the Shares of the Company are listed on any recognized stock exchange in India, the latest available closing price of the Share prior to such date; and (b) if the Shares are listed on more than one recognized stock exchange in India, the latest available closing price of the Share prior to such date on the stock exchange where there is highest trading volumes on the said date; and (c) if Shares are not listed, the value calculated in accordance with generally accepted accounting standards and valuation principles as may be applicable in India and shall be determined by the Board/Committee on the basis of the valuation report submitted by an independent external valuer appointed by the Board/Committee on the latest financial statements not older than 6 months prior to the date of determination. The value which Board/Committee accepts as the Fair Market Value in accordance with the foregoing norms shall be final and binding on all parties.
- 3.20 “Fosun International” means Fosun International Limited, a company incorporated in Hong Kong with limited liability whose ordinary shares are listed and traded on the Main Board of the SEHK (stock code: 00656), and which is the controlling shareholder (as defined under the Listing Rules) of Fosun Pharma and an indirect shareholder of the Company as of the date hereof.
- 3.21 “Fosun Pharma” means Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a joint stock company established in the People’s Republic of China with limited liability, the H shares and A shares of which are listed and traded on the Main Board of the SEHK (stock code: 02196) and the Shanghai Stock Exchange (stock code: 600196), respectively, and which is a subsidiary of Fosun International and the controlling shareholder (as defined under the Listing Rules) of the Company as of the date hereof.
- 3.22 “General Meeting” means a general meeting (including an extraordinary general meeting) of the Shareholders of the Company held in accordance with the articles of association of the Company and the Applicable Laws.
- 3.23 “Grant”¹³ means the process by which the Company issues Options to its Employees under the Plan and the relevant Notified Scheme(s).
- 3.24 “Grant Date”¹⁴ means the date on which the Committee approves the Grant.
- 3.25 “Grant Letter” means the letter by which Grant of Options is communicated to the Grantee.
- 3.26 “Grantee” means an Eligible Employee pursuant to Clause 5 below, at the time of Grant of the Option to be eligible to participate under the Plan and the relevant Notified Scheme(s).
- 3.27 “Group”¹⁵ shall have the same meaning as understood under the SEBI Regulations.

¹¹ To comply with Clause 2(1) (j) of the SEBI Regulations

¹² To comply with Clause 2(1) (k) of the SEBI Regulations

¹³ To comply with Clause 2(1) (m) of the SEBI Regulations

¹⁴ To comply with Clause 2(1) (n) of the SEBI Regulations

¹⁵ To comply with Clause 2(1) (o) of the SEBI Regulations



- 3.28 “Holding Company” means a Company defined under Section 2(46) of the Companies Act, 2013.
- 3.29 “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.
- 3.30 “Independent Director”¹⁶ shall have the same meaning as defined under section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.
- 3.31 “Listing” means the listing on a recognised stock exchange of the Shares of the Company or the shares of such other company that then holds the business conducted or to be conducted by the Company and its subsidiary(ies) (within the meaning of the Listing Rules) after the Adoption Date.
- 3.32 “Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
- 3.33 “Option”¹⁷ means the option given to an Employee, which gives him a right but not an obligation, to purchase or subscribe the shares at a future date, the shares offered by the Company, directly or indirectly, at a pre-determined exercise price in accordance with the Plan and relevant Notified Scheme(s).
- 3.34 “Participant”¹⁸ means a Grantee who accepts the Grant from the Company to participate in this Plan and the relevant Notified Scheme(s) pursuant to Clause 9 below.
- 3.35 “Plan” or “ESOP”¹⁹ shall mean the Gland Pharma Employee Stock Option Plan 2019 under which the Company grants the Options to the Grantees, and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time. Further, the Plan shall also include the Notified Scheme(s).
- 3.36 “Promoter”²⁰ shall have the same meaning assigned to it under the SEBI ICDR Regulations.
- 3.37 “Promoter Group”²¹ shall have the same meaning assigned to it under the SEBI ICDR Regulations:
- 3.38 “Relative”²² shall have the same meaning as defined under section 2(77) of the Companies Act, 2013.
- 3.39 “Relevant Date”²³ means:
- i) In the case of grant, the date of the meeting of the Committee on which the grant is made; or
 - ii) In the case of exercise, the date on which the notice of exercise is given to the Company by the Employee.
- 3.40 “SEBI” means the Securities and Exchange Board of India.
- 3.41 “SEBI ICDR Regulations” means the Securities and Exchange Board of India (Issue of Capital

¹⁶ To comply with Clause 2(1) (p) of the SEBI Regulations and Section 2(47) of The Companies Act, 2013

¹⁷ To comply with Clause 2(1)(s) of the SEBI Regulations and Section 2(37) of The Companies Act, 2013

¹⁸ To comply with Clause 2(1)(t) of the SEBI Regulations

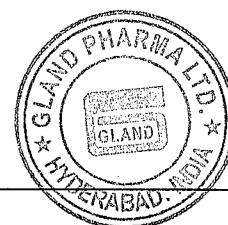
¹⁹ To comply with Clause 2(1)(g) of the SEBI Regulations

²⁰ To comply with Clause 2(1)(u) of the SEBI Regulations

²¹ To comply with Clause 2(1)(v) of the SEBI Regulations

²² To comply with Clause 2(1)(w) of the SEBI Regulations

²³ To comply with Clause 2(1)(x) of the SEBI Regulations



- and Disclosure Requirements) Regulations, 2018 as amended from time to time.
- 3.42 “SEBI Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 3.43 “SEBI Regulations” refers to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by SEBI under the SEBI Act, 1992 as amended from time to time²⁴.
- 3.44 “SEHK” means The Stock Exchange of Hong Kong Limited.
- 3.45 “Schemes” or “Notified Scheme”²⁵ means the Scheme(s) approved and notified by the Committee/ Board/ Company to be Part of the Plan and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time.
- 3.46 “Share”²⁶ means an equity shares and securities convertible into equity shares and shall include American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”) or other depository receipts representing underlying equity shares or securities convertible into equity shares of Gland Pharma Limited.
- 3.47 “Shareholder” means the registered holder of a Share.
- 3.48 “Subsidiary Company” shall have the same meaning as defined under Section 2(87) of the Companies Act, 2013.
- 3.49 “Termination Date” means the date of termination of employment of the Participant with the Group.
- 3.50 “Unvested Option” means an Option, which is not a Vested Option.
- 3.51 “Vesting”²⁷ means the process by which the Participant becomes entitled to receive the benefit of a Grant made to him under the Plan and relevant Notified Scheme(s).
- 3.52 “Vested Option” means an Option, which has vested in pursuance of Clause 10 below with the Participant and has thereby become exercisable.
- 3.53 “Vesting Date” means the date on and from which the Option Vests with the Participant and has thereby become exercisable under the Plan and relevant Notified Scheme(s).
- 3.54 “Vesting Period”²⁸ means the period during which the vesting of Option granted to the Participant under the Plan and relevant Notified Scheme(s) takes place.
- 3.55 “Construction”
- a) Clause reference is to the clauses of this Plan.
 - b) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
 - c) Where a word or phrase is defined, other parts of speech and grammatical forms of that

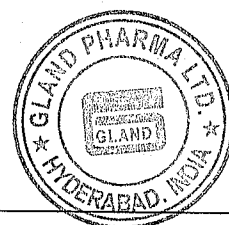
²⁴ Refer to Clause 1(1) and 1(4) of the SEBI Regulations

²⁵ To comply with Clause 2(1)(zb) of the SEBI Regulations

²⁶ To comply with Clauses 2(1)(zd) of the SEBI Regulations

²⁷ To comply with Clause 2(1)(zi) of the SEBI Regulations

²⁸ To comply with Clause 2(1)(zj) of the SEBI Regulations



word or phrase shall have the corresponding meanings.

- d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
- g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

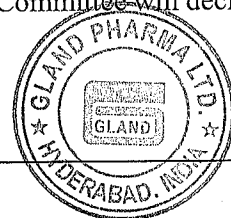
4 Notification of the Schemes

- 4.1 The Company/ Board/ Committee shall notify the Schemes under this Plan.
- 4.2 The Board/ Committee may subject to a special resolution²⁹ passed at a General Meeting at any time and from time to time, add, amend, alter or revoke any Scheme notified under the Plan, provided such addition, amendment, alteration or revocation are permissible by the SEBI Regulations, Applicable Laws and the Listing Rules.

5 Eligibility

- 5.1 The Committee will decide which of the Employees should be granted Options under the Plan and accordingly, the Company would offer the Options to the identified Employees to the extent permissible by Applicable Laws.
- 5.2 An Employee who is a:
 - a) Promoter; or
 - b) Person belonging to the Promoter Group; or
 - c) An Independent Director or Director, who either by himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company,shall not be eligible to participate in the Plan.
- 5.3 In determining the eligibility of an Employee to receive an Option as well as in determining the number of Options to be granted to any Employee, the Committee shall formulate criterion for Grant of Options based on, but not limited to, one or more of the following:
 - a) Number of years of service of the Employee;
 - b) Industry experience of the Employee;
 - c) Grade/ level of the Employee;
 - d) Past-track record/present performance or future potential of the Employee;
 - e) Any other criteria as may be decided by the Committee.
- 5.4 Based on the eligibility criteria as described in Clause 5.1 above, the Committee will decide the

²⁹ To comply with Clause 6(1) of the SEBI Regulations



Employees eligible for Grant of Options under the Plan and the relevant Notified Scheme(s) and accordingly, the Company/ Committee would offer the Options to the identified Employees under the Notified Scheme. Where such Employee is a Director nominated by an institution as its representative on the Board of the Company³⁰:

i) the contract/agreement entered into between the institution nominating its Employee as the Director of the Company and the Director so appointed shall, inter-alia, specify the following:

a) whether Options granted by the Company under the Plan and the relevant Notified Scheme(s) can be accepted by the Employee in his capacity as Director of the Company;

b) that Options, if granted to the Director, shall not be renounced in favour of the nominating institution; and

c) the conditions subject to which fees, commissions, Options, other incentives, etc. can be accepted by the Director from the Company.

ii) the institution nominating its Employee as a Director of the Company shall file a copy of the contract/agreement with the Company, which shall, in turn, file the copy with all the stock exchanges on which the Shares are listed.

iii) the Director so appointed shall furnish a copy of the contract/agreement at the first Board meeting of the Company attended by him after his nomination.

6 Administration of this Plan³¹

6.1 This Plan and the Notified Scheme(s) shall be administered by the Committee working under the powers delegated by the Board. The Committee is authorized to (i) interpret the Plan and Notified Scheme(s), (ii) subject to Clause 25 and to the extent permissible by the Applicable Laws/SEBI Regulations and Listing Rules, establish, amend and rescind any rules and regulations relating to the Plan or any Notified Scheme(s), and (iii) make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan and any Notified Scheme(s). The Committee may correct any defect, omission or reconcile any inconsistency in the Plan or any Notified Scheme(s) in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan or any Notified Scheme(s) and take any action which the Board is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan/ Notified Scheme(s). No member of the Committee may act upon matters under the Plan/ Notified Scheme(s) specifically relating to such member.

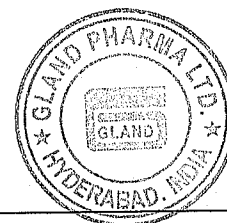
6.2 Any decision of the Committee in the interpretation and administration of this Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant/ Nominee and their beneficiaries and successors). The Company/ the Board/ the Committee shall not be liable for any action or determination made in good faith with respect to the Plan and / or any Notified Scheme or any Option granted thereunder.

6.3 The Committee³² shall, *inter-alia*, formulate the detailed terms and conditions of the Scheme(s)

³⁰ To comply with explanation to Clause 4 of the SEBI Regulations

³¹ To comply with Clause 5 (1) of the SEBI Regulations

³² To comply with Clause 5(3) of SEBI Regulations



which shall include the provisions as specified by the SEBI in this regard.

- 6.4 The Committee³³ shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, SEBI Regulations and the Listing Rules by the Company and its employees, as applicable.

7 Share Pool

- 7.1 Subject to Clause 18 and Clause 19 below, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Plan and the relevant Notified Scheme(s) shall not exceed [170,444] (one lakh seventy thousand four hundred and forty four only) Shares representing 1.1% of the total number of issued Shares as on the Adoption Date. Subject to the limitations prescribed herein, the Company reserves the right to increase or reduce such number of Shares as it deems fit.

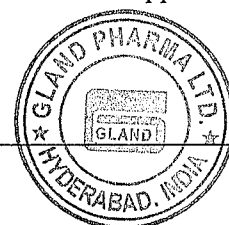
- (i) Notwithstanding the foregoing provisions of this Clause 7.1, the maximum number of Shares which may be issued upon Exercise of all outstanding Options Granted and yet to be Exercised under the Plan, the Notified Scheme(s) and other share option plans and schemes of the Company must not exceed 30% of the number of the relevant class of Shares in issue from time to time. No Options may be granted if such Grant will result in the said 30% limit being exceeded.

- (ii) Subject always to the overall limit provided in Clause 7.1(i):

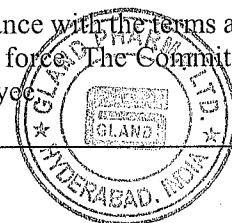
- (a) Subject to paragraphs (b) and (c) of this Clause 7.1(ii), the total number of Shares which may be issued upon exercise of all Options to be granted under the Plan, the Notified Scheme(s) and other share option plans and schemes of the Company shall not in aggregate exceed 10% of the number of the relevant class of Shares in issue on the Adoption Date ("Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Plan, the Notified Scheme(s) or any other share option plans or schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.

- (b) For so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, the Company may refresh the Scheme Mandate Limit at any time subject to the prior approval of the shareholders of Fosun International and/or Fosun Pharma. However, the Scheme Mandate Limit, as refreshed shall not exceed 10% of the number of the relevant class of Shares in issue as at the date of the aforesaid shareholders' approvals, in case the date of the approvals are different, the later date of approval. Options previously granted under the Plan, the Notified Scheme(s) and other share option plans and schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Plan, the Notified Scheme(s) or other share option plans or schemes of the Company or exercised), shall not be counted for the purpose of calculating the limit as refreshed. For so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, a circular with relevant information as required under the Listing Rules and SEBI Regulations must be sent to the shareholders of Fosun International and/or Fosun Pharma, in connection with the meetings at which their approvals will be sought.

³³ To comply with Clause 5(4) of SEBI Regulations



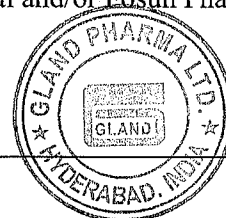
- (c) For so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, the Company may also seek separate approval from the shareholders of Fosun International and/or Fosun Pharma, for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to the Grantees specifically identified by the Company before such approval(s) is/are sought. A circular shall be sent to the shareholders of Fosun International and/or Fosun Pharma (if necessary), containing, amongst other information required under the Listing Rules and SEBI Regulations, a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Grantees, and how those Options serve such purpose.
- (iii) Subject to Clause 8.2, the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to each Grantee or Participant (as the case may be) (including both exercised and outstanding Options) in any twelve-month period shall not exceed 1% of the number of the relevant class of Shares in issue as of the proposed Grant Date. For so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, any further grant of Options (including exercised, cancelled and outstanding Options) to a Grantee or a Participant exceeding 1% of the number of the relevant class of Shares in issue shall be subject to the approval of the shareholders of Fosun International and/or Fosun Pharma in advance with such Grantee or Participant (as the case may be) and his or her close associates, or his or her associates if the Grantee or Participant is a connected person (as such terms are defined in the Listing Rules or SEBI Regulations) abstaining from voting. A circular with relevant information as required under the Listing Rules and SEBI Regulations must be sent to the shareholders of Fosun International and/or Fosun Pharma (if appropriate) disclosing the identity of the Grantee or Participant (as the case may be) and the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such Grantee or Participant, as the case may be, shall be fixed before such shareholders' approval(s) is/are sought and the date of the Board meeting for proposing such further grant should be taken as the Grant Date.
- 7.2 Notwithstanding the foregoing provisions of Clause 7.1 and Clause 8 below, Shares with respect to which an Option is granted under the Plan or any of the Notified Scheme(s) that remain unexercised at the expiration, forfeiture or other termination of such Option may be the subject of the Grant of further Options.
- 7.3 Notwithstanding the foregoing provisions of Clause 7.1, all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted. The Company may Grant such Options within the overall limit determined in accordance with the Notified Scheme(s) under the Plan, provided that where an Option is cancelled and a new Option is proposed to be issued to the same Grantee, the issue of such new Option may only be made under the Plan or the relevant Notified Scheme(s) if there is available unissued Options (excluding the cancelled Options) within the limits prescribed in Clause 7.1 above.
- 8 Grant of Options**
- 8.1 The Company/ Committee may offer the Options to a Grantee in accordance with the terms and conditions of the Notified Scheme(s) and the Plan for the time being in force. The Committee will decide the number of Options to be granted to each Eligible Employee.



- 8.2 The approval of shareholders by way of separate resolution shall be obtained by the Company in case of:
- a) Grant of Option to Employees of Subsidiary Company; or
 - b) Grant of Option to identified Employees, during any one year, equal to or exceeding one percent of the issued capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of Grant of Option³⁴
- 8.3 Subject to the overall limit and other relevant limitations prescribed in Clause 7.1 above, the Options may be granted in one or more tranches.
- 8.4 Each Option will entitle the Participant to one Share of the Company.
- 8.5 The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant Letter shall state the number of Options Granted, the Exercise Price and the Closing Date of accepting the Grant as per the Notified Scheme(s), which shall not be more than 60 days from the Relevant or Grant Date.
- 8.6 An offer made under Clause 8.1 above is personal to the Grantee and cannot be transferred in any manner whatsoever³⁵.
- 8.7 Each grant of the Options to any director, chief executive or substantial shareholder of Fosun International and/or Fosun Pharma, or any of their respective associates (as such terms are defined in the Listing Rules or SEBI Regulations) shall for so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, be subject to the prior approval of the independent non-executive directors of Fosun International and/or Fosun Pharma (excluding any independent non-executive director who is a proposed Grantee of the Option in question). Where any grant of Options to a substantial shareholder or an independent non-executive director of Fosun International and/or Fosun Pharma, or any of their respective associates (as such term is defined in the Listing Rules or SEBI Regulations) would result in the Shares which may be issued and to be issued upon exercise of all Options already granted and to be granted (including the Options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the SEHK) of the Shares in issue, such further grant of Options shall be subject to prior approval by the shareholders of Fosun International and/or Fosun Pharma (voting by way of poll) by resolution on which the Grantee, his or her associates (as defined in the Listing Rules or SEBI Regulations) and all core connected persons (as defined in the Listing Rules or SEBI Regulations) of Fosun International and/or Fosun Pharma must abstain from voting (except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be sent to the shareholders of Fosun International and/or Fosun Pharma in connection therewith).
- 8.8 Any proposed change in the terms of Options granted to a Grantee who is a substantial shareholder or an independent non-executive director of Fosun International and/or Fosun Pharma, or any of their respective associates, must first be approved by the shareholders of Fosun International and/or Fosun Pharma (voting by way of poll) by resolution on which the Grantee, his or her associates and all core connected persons of Fosun International and/or Fosun Pharma must abstain from voting (except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be sent to the shareholders of Fosun International and/or Fosun Pharma

³⁴ To comply with Clause 6(3)(d) of the SEBI Regulations

³⁵ To comply with Clause 9(1) of the SEBI Regulations



in connection therewith).

9 Method of Acceptance

- 9.1 The method of acceptance of the Grant made pursuant to Clause 8 above and under the Notified Scheme(s), shall be determined in accordance with the Notified Scheme(s) under the Plan.
- 9.2 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Grant.
- 9.3 Subject to the terms contained herein, the acceptance in accordance with this Clause and the relevant Notified Scheme(s), of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

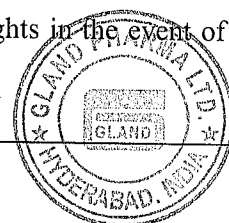
10 Vesting of Options

- 10.1 There shall be a minimum period of one year between Grant of Options and Vesting of Options³⁶.
- 10.2 Subject to Clause 10.6 and Clause 13 below, the Unvested Options shall Vest with the Participant in accordance with the Notified Scheme(s) under the Plan and the Grant Letter.
- 10.3 The Options shall vest with the Participant on satisfaction of Vesting conditions as specified in the Notified Scheme(s) and the Grant Letter, including continuous service of the Grantee, minimum performance targets (if any), listing of the Company on a recognized stock exchange or other criteria. Further, the Options granted, which have not Vested on a particular Vesting Date due to non-satisfaction of Vesting conditions, shall be eligible to Vest on subsequent Vesting dates, subject to such additional conditions as may be specified by the Committee in the Notified Scheme (s) or the Grant Letter.
- 10.4 Upon Vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Notified Scheme(s), read along with the Plan and the Grant Letter.
- 10.5 Notwithstanding anything mentioned in the Notified Scheme(s) under the Plan, the Grant Letter and subject to Clause 10.3, Clause 13.1 and 13.2 below, Options which are not Vested shall automatically lapse after the Vesting Date and the contract referred to in Clause 9.3 above shall automatically be terminated without surviving rights / liabilities for any party.

Subject to the SEBI Regulations, and unless the Committee decides otherwise, no Options shall Vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group. The decision of the Committee/ Company in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.

- 10.6 Neither the Participant nor any person entitled to exercise Participant's rights in the event of

³⁶ To comply with Clause 18(1) of the SEBI Regulations



death of the Participant shall be entitled to claim or receive any dividend, right to vote, right of transfer, rights arising on a liquidation of the Company or other rights, or in any manner enjoy the benefits as a shareholder of the Company, in respect of the Shares to be issued upon the exercise of the Options or the Options granted/ vested, till such time as the Shares are allotted pursuant to a valid Exercise of the Options on Exercise Date in favour of such Participant or such person³⁷.

11 Exercise Price

- 11.1 The Exercise Price of the Vested Options shall be determined in accordance with the Notified Scheme(s) under the Plan. The Company while determining the Exercise Price shall confirm to the accounting policies³⁸.

No Option may be granted at an Exercise Price lower than the new issue price (if any) either after Fosun Pharma has resolved to seek a Listing or during the period commencing six months before the lodgement of an application with the relevant stock exchange for the Listing up to the date of Listing. In such event, subject to SEBI Regulations, Applicable Laws and the Listing Rules, the Committee shall have the discretion to adjust the exercise price of options granted during such period to not lower than the new issue price (if any).

12 Exercise of Options/ Allotment of Shares

- 12.1 Subject to the relevant Notified Scheme(s), Clause 9.3 above and Clause 13 below, the Participant alone can Exercise the Vested Options on an Exercise Date within the Exercise Period as per the relevant Scheme(s)³⁹. Such Exercise may be of all Vested Options or part of the Vested Options, subject to Clause 12.2 and 12.3 below. The Vested Options can be exercised either in full or in part for a minimum lot of 10 Shares and/or balance thereof and in multiples of 10 Shares.
- 12.2 No Vested Option shall be exercisable in its fractional form.
- 12.3 Subject to the SEBI Regulations, and unless the Committee decides otherwise, no Participant shall be entitled to make an Exercise, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group. The decision of the Committee/ Company in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.
- 12.4 Exercise of the Vested Options shall take place at the time and place designated by the Committee/ Board and by executing such documents as may be required under the Applicable Laws or by the Committee to pass a valid title of the relevant Shares to the Participant/ Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein⁴⁰.
- 12.5 A Vested Option shall be deemed to be validly exercised only when the Committee or any other person ratified by the Committee receives written and signed notice of Exercise ("Exercise Form") from the Participant/ Beneficiary and a confirmation that the Aggregate Exercise Price

³⁷ To comply with Clause 19 of the SEBI Regulations

³⁸ To comply with Clause 15(1) and 15(2) of the SEBI Regulations

³⁹ To comply with Clause 9(2) of the SEBI Regulations

⁴⁰ To comply with proviso to Clause 9(2) of the SEBI Regulations



(in accordance with the Plan and Notified Scheme(s)) as per Clause 12.6 has been received from the Participant if applicable and it shall be considered as a Relevant Date for the purpose of Exercise of Shares.

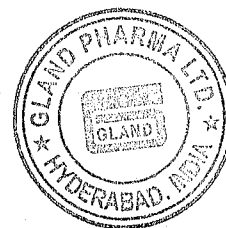
- 12.6 The Aggregate Exercise Price as communicated by the Committee in the Grant Letter or as per clause 11.1 shall be paid in full to the Company. The Payment of the Aggregate Exercise Price must be made by one of the following methods:
- (i) cheque or demand draft issued in the name of the Company as the Committee may specify; or
 - (ii) remittance directly from the Participant's bank to the bank account of the Company (wire transfer) as the Committee may specify; or
 - (iii) recovery from the immediately succeeding salary payment of the employee; or
 - (iv) any combination of such methods of payment or any other method acceptable to the Committee at its sole discretion.

The cashless Exercise of the Options shall be as determined by the Committee⁴¹.

- 12.7 The Company/ Committee/ Board shall endeavour to ensure that the process of allotment of Shares to the Participant who has validly exercised his vested Options is completed within reasonable time from the Relevant Date.
- 12.8 Upon completion of a valid Exercise of Options as laid out above, the Committee shall make an allotment of Shares to the Participant/ Beneficiary/ Nominee either directly from the Company or under any other mechanism as permissible under Applicable Laws and along with requisite resolutions to that effect. On Exercising, Company shall allot the Shares to the Participant/ Beneficiary/ Nominee, or if requested in writing by the Participant, to the Participant/ Beneficiary/ Nominee or Beneficiary/ Nominee jointly with another person, provided (a) the Committee finds the Exercise form complete; and (b) all the conditions of this Plan and the relevant Notified Scheme(s) are complied with.
- 12.9 At the time of allotment of Shares pursuant to a valid Exercise, the Participant/ Nominee will be required to sign such papers as may be considered necessary by the Committee to lawfully execute/ enforce various provisions of the Plan and the relevant Notified Scheme(s).
- 12.10 Only upon allotment of the Shares, the Participants/ Nominees shall become members of the Company. Subject to Clause 15 below, the Shares to be allotted shall rank *pari-passu* in all respects and otherwise be identical with the outstanding Shares of the Company⁴².
- 12.11 Notwithstanding anything else contained in the Notified Scheme(s) under the Plan and, if the Participant/ Nominee does not Exercise his Vested Options within the time specified in Clause 12.1 above and Clause 13 below, the Options shall lapse and be forfeited and cancelled by the Company at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any liability to the Group.
- 12.12 The Company/ Board/ the Committee shall not purchase or sell shares of the Company through any other method that has been prohibited as per the Applicable Laws.

13 Termination of Employment

- 13.1 On death of a Participant⁴³



⁴¹ To comply with proviso to Clause 9(2) of the SEBI Regulations

⁴² To comply with Clause 19 of the SEBI Regulations

⁴³ To comply with Clause 9(4) of the SEBI Regulations

In the event of death of a Participant while in employment with the Company, subject to the relevant Notified Scheme(s), all the Options granted to him till such date and lying Unvested shall Vest in the Beneficiary of the deceased Participant immediately on that day. Subject to the relevant Notified Scheme(s) and Clauses 12.2 and Clause 12.3 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within a period of 120 days from the date of death of the participant or the expiry of the Exercise Period, as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise; provided that for the period between the Effective Date and the date of Listing, and in the event of the death of a Participant, the Vested Options shall be Exercised by the Beneficiary of the deceased Participant within five (5) working days from the date of death of the deceased Participant. Any Vested Options not Exercised within this aforesaid periods shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right/ liability for any party. With respect to Shares held by the Participant/ Beneficiary pursuant to Exercise of Options, the provisions of Clause 18 shall apply.

13.2 On permanent incapacity of a Participant ⁴⁴

In case a Participant suffers a permanent incapacity while in employment, subject to the relevant Notified Scheme(s), all the Options granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him on that day subject to Clause 12 above. Subject to relevant Notified Scheme(s) and Clause 12.2 and Clause 12.3 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within a period of 120 days from the date of permanent incapacitation or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right/ liability for any party. With respect to Shares held by the Participant pursuant to Exercise of Options, the provisions of Clause 18 shall apply.

13.3 On attainment of superannuation age⁴⁵

In case the services of the Participant with the Company are terminated due to the Participant's retirement on attaining the superannuation age, all the Unvested Options granted to him shall immediately stand cancelled and forfeited and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right/ liability for any party. Subject to relevant Notified Scheme(s) and Clause 12.2 and Clause 12.3 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within a period of 120 days from the date of termination or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right/ liability for any party. With respect to Shares held by the Participant pursuant to Exercise of Options, the provisions of Clause 18 shall apply.

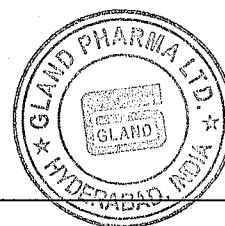
13.4 Termination with Cause⁴⁶

In case the termination of employment of a Participant with the Company is with Cause, his/ her Options (Vested as well as Unvested) shall stand automatically forfeited on the Termination

⁴⁴ To comply with Clause 9(5) of the SEBI Regulations.

⁴⁵ To comply with Clause 9(6) of the SEBI Regulations.

⁴⁶ To comply with Clause 9(6) of the SEBI Regulations.



Date and the contract referred to in Clause 9.3 above shall stand automatically terminated without any liability to the Company. However, the Board/ Committee shall, in its sole discretion, have the right to waive the forfeiture wholly or partly. With respect to Shares held by the Participant pursuant to Exercise of Options, the provisions of Clause 18 shall apply.

13.5 Other terminations⁴⁷

In case the service of the Participant with the Company is terminated other than specified in Clauses 13.1 to 13.4 above, all Unvested Options with the Participant on the Termination Date shall lapse and the contract referred to in Clause 9.3 above stand automatically terminated without any surviving right/liability for any party. Subject to relevant Notified Scheme(s) and Clause 12.2 and Clause 12.3 above, the Participants can Exercise all the Vested Options within a period of 120 days from the date of termination or before the expiry of the Exercise Period, whichever is earlier, unless the Committee decides otherwise. The Committee may, at its discretion, grant extra time for exercising such Vested Options on a case-by-case basis. Any Vested Options not Exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right/ liability for any party. However, the Committee shall, in its sole discretion, have the right to waive such forfeiture wholly or partly. With respect to Shares held by the Participant pursuant to Exercise of Options, the provisions of Clause 18 shall apply.

13.6 Long Leave

Notwithstanding anything contained in the Plan and the relevant Notified Scheme(s), effect of any "Long Leave" will be given as considered appropriate by the Committee.

14 Notices and correspondence

14.1 Any notice required to be given by a Participant/ Nominee to the Company/ Committee or any correspondence to be made between a Participant/ Nominee and the Company/ Committee may be given or made to the Company/ Committee at the registered office of the Company or at a place as may be notified by the Company/ Committee in writing.

14.2 Any notice, required to be given by the Company/ Committee to a Participant/ Nominee or any correspondence to be made between the Company/ Committee and a Participant/ Nominee shall be given or made by the Company/ Committee on behalf of the Company at the address provided by the Participant in his Acceptance Form or Nomination Form.

15 Lock-in

15.1 The Shares allotted/ transferred pursuant to the Exercise of the Vested Options under Clause 12 above in accordance with any Notified Scheme(s) shall be subject to a lock-in period as determined in accordance with the relevant Notified Scheme(s), if any⁴⁸.

16 Beneficiary designation

16.1 Each Participant under the Notified Scheme(s) under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Plan and the relevant Notified Scheme(s) is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

⁴⁷ To comply with Clause 9(6) of the SEBI Regulations.

⁴⁸ To comply with Clause 18(2) of the SEBI Regulations



17 Non-transferability of Options⁴⁹

- 17.1 Save as provided in Clause 13.1 above, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/ Nominee/ Beneficiary otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

18 Transferability of Shares

- 18.1 Subject to Clause 15 and clause 26.7 below and Applicable Laws, any Participant (Employee/ ex-Employee/ Beneficiary), who wishes to sell the Shares acquired pursuant to Exercise of Grants, can sell the Shares freely over the recognized stock exchange in India where such Shares are listed.

19 Reorganization of Capital Structure and other Corporate Actions

- 19.1 In the event the Company is involved in:
- (i) a scheme for merger, reconstitution, consolidation, dissolution, liquidation or reorganization, exchange of Shares, share swaps, sale of all or substantially all of the assets of the Company;
 - (ii) any stock dividend, subdivision, stock split, reverse stock split, stock combination, capitalisation issue (as defined in the Listing Rules and/or SEBI Regulations), rights issue, bonus issues, reduction of capital or other changes in the capital structure of the Company; or
 - (iii) any other event which in the judgment of the Board/Committee necessitates action of making a fair and reasonable adjustment to the number of Options (or to the number of Shares subject to any Options) and/or to the Exercise Price,

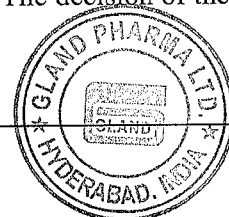
("Corporate Actions")

such adjustment shall be made in a manner that after the Corporate Action (a) the total value of the Options remains the same; and (b) the proportion of the issued Share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he/she was previously entitled; provided that no such adjustments shall be made to the extent that would enable any Share to be issued at less than its nominal value (if any). No such adjustments will be required in circumstances where there is an issue of Shares as consideration in a transaction.

In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules and SEBI Regulations. In addition, for so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma, any adjustment must comply with Chapter 17 of the Listing Rules, the supplementary guidance issued on 5 September 2005 by the SEHK entitled "Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule" and any future guidance/interpretation of the Listing Rules issued by the SEHK from time to time.

In all such Corporate Actions, the Board/Committee shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the

⁴⁹ To comply with Clauses 9(1) and 9(3) of the SEBI Regulations



Board/Committee on whether such action is necessary and the extent of such action by the Board/Committee shall be final and binding. If a change of Control shall occur, the Board/Committee may make such adjustments at its discretion as are necessary or appropriate in light of the change of Control (including, without limitation, the substitution of stock other than stock of the Company as the stock optioned hereunder, and the acceleration of the exercisability of the Options), provided that the Board/Committee determines that such adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.

20 Withholding Tax or any other Sums

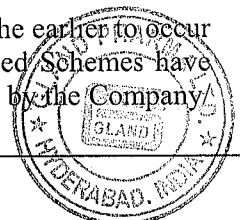
- 20.1 All Options granted under this Plan and the relevant Notified Scheme(s) shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in the Plan and the Scheme(s) notified therein (in or outside India), if any, and the Company or Committee, accordingly, may withhold such taxes and/ or levy and/ or contribution and/ or payment in full unless Committee decides to withhold in part.
- 20.2 Notwithstanding anything contained in the Notified Scheme(s) or any other Clauses of the Plan, if, on the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment of the Shares under the Notified Scheme(s) and or at anytime while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company/ Employing entity (in or outside India). Such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Committee at its sole discretion decides to recover in part from the Participant.
- 20.3 Notwithstanding anything else contained in this Plan or under the Notified Scheme(s), no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Participant/ Nominee, on Exercise of the Options under the Notified Scheme(s) under the Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Committee at its sole discretion decides to recover only a part of the same from the Participant or Beneficiary.

21 Arbitration

- 21.1 In the event of a dispute arising out of or in relation to the provisions of this Plan or any Notified Scheme(s) (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, 90 day notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held at Hyderabad, Telangana, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law in India.

22 Tenure

- 22.1 This Plan and the relevant Notified Scheme(s) shall continue in effect until the earlier to occur of (i) all the Options Granted pursuant to the Plan and the relevant Notified Schemes have vested and been Exercised by the Participants; or (ii) the date of termination by the Company/ the Committee; or (iii) the tenth (10th) anniversary from the Effective Date.



22.2 Any such termination of this Plan or Notified Scheme(s) shall not affect Options/ Shares already granted and such Options/ Shares shall remain in full force and effect as if the Plan/ the Notified Scheme(s) had not been terminated unless mutually agreed otherwise between the Participant/ Beneficiary and the Committee/ the Company. Details of the Options granted, including Options exercised or outstanding, under this Plan or the relevant Notified Scheme(s) and Options that become void or unexercisable as a result of the termination, will be disclosed in the circular to the shareholders of Fosun International and/or Fosun Pharma for seeking the approval of the first new share option plans or scheme to be set up after such termination.

23 Governing Law

- 23.1 This Plan, all Notified Schemes under the Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 23.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the relevant Notified Scheme(s). The Options are subject to the Plan and the Notified Scheme(s). Any term of the Plan or any Notified Scheme(s) that is contrary to the requirement of the SEBI Regulations, Companies Act, 2013 the Listing Rules or any other Applicable Law, including but not limited to the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 23.3 In the event that any term, condition or provision of the Plan and the Notified Scheme(s) being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Plan or the relevant Notified Scheme(s) and shall be of no force and effect and the Plan and the relevant Notified Scheme(s) shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan or the relevant Notified Scheme(s).
- 23.4 In order to comply with regulation of any other country or to avail any tax or other benefits, Committee or Board may at its sole discretion formulate an addendum to this Plan for Employees employed in that country and made applicable to such Employees from the date determined by the Committee/ Board.

24 Regulatory approvals

- 24.1 The implementation of the Plan and the relevant Notified Scheme(s), the Grant of any Option as per terms of the relevant Notified Scheme(s) under the Plan and the issuance of any Shares as per the relevant Notified Scheme(s) under the Plan shall be subject to the procurement by the Company and/or the Participant/ Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan and/ or the relevant Notified Scheme(s), the Options and the Shares issued pursuant thereto. The Participant/ Beneficiary under this Plan and the relevant Notified Scheme(s) will, if requested by the Committee, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- 24.2 The Board/Company shall make all the relevant disclosures in the Director's Report⁵⁰ in relation to the Plan and the Notified Scheme(s) as are required under the SEBI Regulations and other Applicable Laws.
- 24.3 The Board/Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per

⁵⁰ To comply with Clause 14 and 16(2) of the SEBI Regulations



the SEBI Regulations⁵¹.

25 Modification of Plan

The Board/ Committee may, subject to a special resolution⁵² passed at a General meeting⁵³ at any time and from time to time:

- 25.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan, the relevant Notified Scheme(s) or all or any of the rights and obligations of the Grantee/ Participant/ Beneficiary;
- 25.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Participant/ Beneficiary;
- 25.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Participant/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Participant/ Beneficiary; and
- 25.4 Alter the Exercise Price, if the Option becomes unattractive due to fall in Fair Market Value of the Shares,
Provided that no variation, alteration, addition or amendment to the Plan or any Notified Scheme under the Plan can be made if it is detrimental to the interests of the Grantee/ Participant/ Beneficiary and the approval of the shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements⁵⁴.
- 25.5 Subject to the Clause 25.4, the Company may by special resolution in a General Meeting vary the terms of the Schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees⁵⁵.
- 25.6 Notwithstanding the foregoing provisions of Clauses 25.1 to 25.5, the provisions of the Plan or any Notified Scheme(s) relating to matters set out in Rule 17.03 of the Listing Rules, as amended from time to time, including but not limited to:
 - a) the definition of ["Eligible Employee", "Employee", "Exercised Period", "Grantee" and "Participant"] in Clause 3; and
 - b) the provisions of Clauses [1, 2, 5, 7, 8.7, 8.8, 10, 11, 12.10, 12.11, 13, 17, 19, 22, 24.3 and this Clause 25],

shall not be altered to the advantage of Grantees or prospective Grantees, and no changes to the authority of the directors or administrator of the Plan or any Notified Scheme(s) in relation to any alteration of the terms of the Plan or any Notified Scheme(s) shall be made, without the prior sanction of the requisite approvals required under the Listing Rules and SEBI Regulations (including the approval of the shareholders of Fosun International and/or Fosun Pharma).

- 25.7 For so long as the Company remains a subsidiary of Fosun International and/or Fosun Pharma,

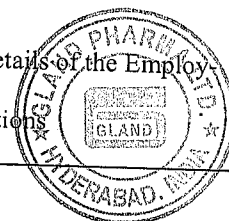
⁵¹ To comply with Clause 15 of the SEBI Regulations

⁵² To comply with Clause 7(3) of the SEBI Regulations

⁵³ Notice for such variation should disclose the details of variation, the rationale and the details of the Employees who are beneficiary of such variation as per Clause 7(4) of the SEBI Regulations

⁵⁴ To comply with Clause 7(1), Clause 7(5) and proviso to clause 7(5) of the SEBI Regulations

⁵⁵ To comply with Clause 7(2) of the SEBI Regulations



any alterations to the terms and conditions of the Plan or any Notified Scheme(s), which are of a material nature or any change to the terms of Options granted, shall be subject to the approval by the shareholders of Fosun International and/or Fosun Pharma in general meeting, except where the alterations take effect automatically under the existing terms of the Plan or any Notified Scheme(s).

25.8 The terms of the Plan and the relevant Notified Scheme(s) as altered must comply with Chapter 17 of the Listing Rules.

25.9 The Company must provide to all Grantees all details relating to any changes in the terms of the Plan and/or any Notified Scheme(s) during the life of the Plan and/or the relevant Notified Scheme(s) immediately upon such changes taking effect.

26 Miscellaneous provisions

26.1 No right to a Grant: Neither the adoption of the Plan, nor any action of the Board/ Committee shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and then only to the extent of and on the terms and conditions expressly set forth therein, or in the Plan as the case may be.

26.2 No employment rights conferred: Nothing contained in the Plan and the relevant Notified Scheme(s) or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Group, or (ii) interfere in any way with the right of the Group to terminate his employment at any time.

26.3 Adherence to Applicable Laws: The Participant shall comply with all Applicable Laws.

26.4 Transfer or Deputation: In the event that a Participant who has been granted Options under this Plan and Notified Scheme(s) is transferred or deputed to any other of GPL's Associate Company defined under the Companies Act 2013, prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation⁵⁶.

26.5 This Plan and the Notified Scheme(s) shall not confer on any person any legal or equitable rights against the Company or the Board/ Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board/ Committee.

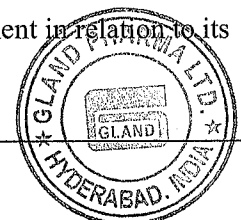
26.6 The Company shall bear the costs of establishing and administering this Plan and the Notified Scheme(s), including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan and the Notified Scheme(s).

26.7 The Participant shall comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable, as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board/ Committee and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.

26.8 The acceptance of the Grant is entirely voluntary and the Company or the Board/ Committee does not guarantee any return on Shares or Options.

26.9 This Plan and the relevant Notified Scheme(s) constitutes the entire document in relation to its

⁵⁶ To comply with Clause 9(7) of the SEBI Regulations



subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

27 Set-off

27.1 It is the Company's/Board's/Committee's obligation to convey to the Participant/ Nominee/ Beneficiary that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant/ Nominee/ Beneficiary to the Company, to the extent permitted under Applicable Laws.

28 Severability

28.1 If any of the provisions mentioned in this Plan and the Notified Scheme(s) are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.

29 Confidentiality

29.1 Notwithstanding anything contained in this Plan and the relevant Notified Scheme(s), the Grantee/ Participant/ Nominee/ Beneficiary shall not divulge the details of the Plan and/or the relevant Notified Scheme(s) and/ or his holdings to any person except with the prior written permission of the Company/ Board/ Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee/ Participant/ Nominee/ Beneficiary. In case of failure to comply with this Clause by the Grantee/ Participant/ Nominee/ Beneficiary, the Grant or the contract referred to in Clause 9.3 above, as the case may be, shall, unless the Company/ Board/ Committee decides otherwise, stand automatically terminated without any surviving right/ liability for any party.

