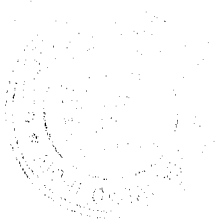


Gland Pharma Limited
Gland Pharma Employee Stock Option Scheme 2019



GLAND PHARMA LIMITED

GLAND PHARMA EMPLOYEE STOCK OPTION SCHEME 2019

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1 Name of the Scheme

This Scheme shall be termed Gland Pharma Limited Employee Stock Option Scheme 2019 – “ESOP Scheme 2019”. ESOP Scheme 2019 has been formulated pursuant to the approval of the Gland Pharma Employee Stock Option Plan 2019 (“Plan”) and the ESOP Scheme 2019 has been approved by way of a special resolution¹ passed on 24 May 2019 by the shareholders at the General Meetings of the Company. The ESOP Scheme is a Notified Scheme under Clause 4 of the Plan. The ESOP Scheme 2019 shall be effective from the Adoption Date herein after referred as the “Effective Date”. The effectiveness of the ESOP Scheme 2019 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 and ESOP Scheme 2019.

2 Purpose of the Scheme

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 ESOP Scheme 2019 for its employees in India and outside India.

The purpose of this ESOP Scheme 2019 is as under:

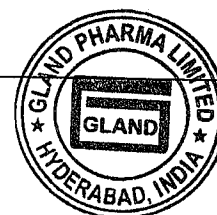
- a) To reward employees for past as well as future performance;
- b) To link interests of employees with Shareholders;
- c) To foster ownership; and
- d) To reward for loyalty.

3 Interpretation

Unless otherwise defined, the terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Plan.

- 3.1 “Approved Budgeted Revenue” shall mean the budgeted gross revenue of the Company for the year under consideration and as approved by the Board or other Committee appointed by the Board.
- 3.2 “Approved Budgeted Profit After Tax” shall mean the budgeted Profit After Tax (“PAT”) of the Company for the year under consideration as approved by the Board or other Committee appointed by the Board.
- 3.3 “CAGR” means the compounded annual growth rate;
- 3.4 “R&D” means research and development
- 3.5 “Revenue” means the total sales of the Company for the Calendar Year.
- 3.6 “Revenue CAGR” shall mean the CAGR of the Revenue for the specified period.
- 3.7 “Trading day” is a day, immediately preceding the Grant Date as mentioned in the Grant Let-

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



ter, on which shares are traded on any of the recognized stock exchanges.

- 3.8 “PAT CAGR” shall mean the CAGR of PAT of the Company for the specified period excluding any exceptional/extra-ordinary (non-recurring) items.
- 3.9 “Plan” shall mean the Gland Pharma Employee Stock Plan 2019 under which this Scheme is notified.
- 3.10 “Vesting Period”² shall be defined as per Clause 7 of the ESOP Scheme 2019 below
- 3.11 “Construction”
- a) 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 Articles/Clauses, which shall be interpreted solely in light of the contents thereof.
 - b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
 - c) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
 - d) The term 'including' shall mean 'including without limitation', unless otherwise specified.
 - e) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
 - f) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

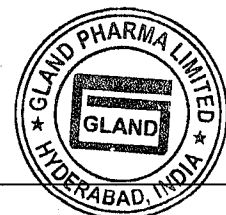
4 Eligibility

- 4.1 The Committee at their sole discretion, based on satisfaction of the following criteria will identify the Eligible Employees for offer of the Options³:
- 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.
- 4.2. An Employee who is a:
- a) Promoter; or
 - b) Person belonging to the Promoter Group; or
 - c) A 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.

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

³ To comply with Clause 4 of the SEBI Regulations



5 Grant of Options

- 5.1 The Company/Committee shall Grant the Options to the identified Eligible Employees in accordance with the terms and conditions of ESOP Scheme 2019 notified under the Plan for the time being in force.
- 5.2 Subject to Clause 7 and Clause 17 of the Plan and in accordance with Clause 8 of the Plan, per Grant, the maximum number of Options Granted to any Grantee under ESOP Scheme 2019 shall not exceed 1.0% of the number of the relevant class of Shares in issue (excluding outstanding warrants and conversions)⁴ at the Grant Date.
- 5.3 The Grant of the Options to the Eligible Employee shall be made in writing in Grant Letter and communicated to the Eligible Employee. Such Grant Letter shall state the Grant Date, number of Options offered, the Exercise Price and the Acceptance Period.

6 Method of acceptance

- 6.1 In accordance with Clause 9 of the Plan, any Grantee who wishes to accept the Grant made pursuant to Clause 5 above, must deliver an Acceptance Form, prescribed by the Compensation Committee from time to time, duly completed as required therein to the Compensation Committee on or before the Closing Date stated in the Grant letter.
- 6.2 Any Grantee who fails to return the Acceptance Form on or before the Closing date shall, unless the Committee/ Board/ Company determines otherwise, be deemed to have rejected the Grant. Any Acceptance Form received after the Closing date shall not be valid.

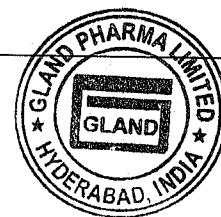
7 Vesting of Options

- 7.1 Subject to Clause 10.6 and Clause 13 of the Plan, continued employment of the Participant with the Company ("Service Condition"), successful listing of the Company on a recognized stock exchange in India ("Listing Condition") and on satisfaction of Employee performance conditions specified in the Grant Letter the Options granted shall vest as under:

(i) 40% of the Options Granted shall Vest

- On 31st March 2020, if the Company meets 100% of Approved Budgeted Revenue and Approved Budgeted PAT of Calendar Year ('CY') 2019 and the R&D expense for CY 2019 is not less than 3% of Revenue. If not, then,
- On 31st March 2021, if the Company meets 100% of sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2019 and CY 2020. Additionally, the Revenue CAGR from CY 2018 to CY 2020 is at least 25%, the PAT CAGR from CY 2018 to CY 2020 is at least 30% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3% of the sum of Revenue for CY 2019 and CY 2020. If not, then,
- On 31st March 2022, if the Company meets 100% of sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2019, CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.

⁴ If the number of Options granted, during any one year, exceeds 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company at the time of Grant, approval of the shareholders will be required to be taken by passing a separate resolution at the general meeting of the Company to comply with Clause 6(3)(d) of the SEBI Regulations.



- This tranche of Options Granted to the Eligible Employees shall lapse after 31st March 2022, if the aforesaid conditions with respect to Vesting, except the Listing Condition, are not satisfied as on dates specified above.

(ii) Next 30% of the Options Granted shall Vest -

- On 31st March 2021, if the Company meets 100% of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020. Additionally, the Revenue CAGR from CY 2018 to CY 2020 is at least 25%, the PAT CAGR from CY 2018 to CY 2020 is at least 30% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3% of the sum of Revenue for CY 2019 and CY 2020. If not then,
- On 31st March 2022, if the Company meets 100% of sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.
- This tranche of Options Granted to the Eligible Employees shall lapse after 31st March 2022, if the aforesaid conditions with respect to Vesting, except the Listing Condition, are not satisfied as on dates specified above.

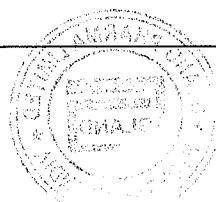
(iii) Next 30% of the Options Granted shall Vest –

- On 31st March 2022, if the Company meets 100% of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2021 or if the Company meets 100% of sum of Approved Budgeted Revenue and Approved Budgeted PAT of CY 2020 and CY 2021. Additionally, the Revenue CAGR from CY 2018 to CY 2021 is at least 25% and the PAT CAGR from CY 2018 to CY 2021 is at least 30%. The sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of Revenue for CY 2019, CY 2020 and CY 2021.
- This tranche of Options Granted to the Eligible Employees shall lapse after 31st March 2022, if the aforesaid conditions with respect to Vesting, except the Listing Condition, are not satisfied as on dates specified above.

7.2 There shall be a minimum period of 1 year between the date of Grant and date of Vesting or any other period as specified under the Applicable Law.

For avoidance of any doubts and notwithstanding anything contained in the ESOP Scheme 2019 and the Plan, it is clarified that no Vesting of Options shall take place until the satisfaction of the Listing Condition as specified above.

7.3 Upon Vesting, the Vested Options shall be exercisable in accordance with the terms and conditions of the Plan.



8 Exercise Price⁵

- 8.1 Subject to Clause 11 of the Plan, the Exercise Price shall be 80% of the FMV as on the date of Grant.
- 8.2 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Options. Payment must be made by one of the methods specified in Clause 12.6 of the Plan.

9 Exercise of Options

- 9.1 The Options can be exercised by the Eligible Employee/ Nominee/ legal heir as per the terms mentioned in the Plan.

10 Duration of the Scheme

- 10.1 Subject to Clause 22 of the Plan, this Scheme shall continue in effect unless terminated by the Company/ Board/ Committee.

11 Lock in Period

- 11.1 The Shares allotted pursuant to the exercise of the Vested Options cannot be sold until completion of 6 months from the date of listing of the Company on a recognized stock exchange.⁶

12 Conflict

- 12.1 In case there is a conflict between the terms of this Scheme and the terms of the Plan, then for the purposes of this Scheme, the terms of this Scheme shall prevail, unless specifically provided otherwise in the Plan.



⁵To comply with Clause 17 of the SEBI Regulations

⁶To comply with Clause 18(2) of the SEBI Regulations