



Fermenta Biotech Limited - Employee Stock Option Plan 2019

Fermenta Biotech Limited

(Formerly known as DIL Limited)

Fermenta Biotech Limited (Erstwhile known as DIL Limited)

CIN: L99999MH1951PLC008485

Regd. Office: A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West),
Maharashtra- 400610.

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1. Name, Objective and Term of the Plan

- 1.1 This employee stock option plan shall be called ‘**Fermenta Biotech Limited - Employee Stock Option Plan 2019**’ (hereinafter referred to as “**ESOP 2019**”/ “**Plan**”/ “**Transferee ESOP Scheme**”)
- 1.2 This ESOP 2019 has been framed pursuant the Scheme of Amalgamation between the Fermenta Biotech Limited (“Transferor Company”) with the DIL Limited (“Transferee Company”) and their respective shareholders as approved by the NCLT vide its order dated September 19, 2019. The Transferor Company prior to the Scheme of Amalgamation had implemented the ‘Fermenta Biotech Limited - Employee Stock Option Plan 2019’ (“Fermenta ESOP”) and were granted employee stock options to its eligible employees. In consonance with the Scheme of Amalgamation, the Fermenta ESOP and employee stock options which were granted under it have become redundant. Subsequently, in accordance with the Scheme of Amalgamation, Transferee company has implemented this ESOP 2019 and grant new Options with the revised Exercise Price to employees of the Transferor Company, to whom old employee stock options had granted under the Fermenta ESOP, as a measure of fair and reasonable adjustment. All the terms and conditions of ESOP 2019 to the extent required under the Scheme of Amalgamation read with provisions of Applicable Laws have been made identical with that of the Fermenta ESOP.
- 1.3 The objective of the ESOP 2019 besides ensuring fair and reasonable adjustment as aforesaid, shall be to create a sense of ownership amongst the Employees, motivate, attract, retain and incentivize Employees for their performance and contribution to the growth and profitability of the Company.
- 1.4 The ESOP 2019 is established with effect from January 28, 2020 on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOP 2019 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

Fermenta Biotech Limited (Erstwhile known as DIL Limited)

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- i. **“Applicable Law”** means every law relating to employee stock options or Options by whatever name called, including and without limitation to the Companies Act and the rules framed thereunder, Securities and Exchange Board of India Act 1992, SEBI SBEB Regulations and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.
- ii. **“Board”** means the Board of Directors of the Company.
- iii. **“Committee”** means the Nomination and Remuneration Committee constituted by the Board from time to time, to supervise the ESOP 2019 and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Section 178 of the Companies Act to act compensation committee under Regulation 5 of the SEBI SBEB Regulations.
- iv. **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- v. **“Company”** means “Fermenta Biotech Limited” (formerly known as DIL Limited), a company registered in India under the provisions of the Companies Act, 1913, having CIN: L99999MH1951PLC008485 and having its registered office at A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West), Maharashtra-400610.
- vi. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers.
- vii. **“Director”** means a member of the Board of the Company appointed as per the provisions of Companies Act.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- ix. **“Employee”** means
- (i) a permanent employee of the Company working in India or out of India; or

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(ii) a Director of the Company, whether whole time or not;

but excludes

- a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
 - c. a Director being an Independent Director.
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- x. **“Employee Stock Option”** means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
 - xi. **“ESOP 2019”** means the ‘Fermenta Biotech Limited - Employee Stock Option Plan 2019’ under which the Company is authorized to grant Options to the Employees.
 - xii. **“Exercise”** of an Option means expression of an intention by an Employee to the Trust to acquire the Shares underlying the Options vested in him, in pursuance of the ESOP 2019, in accordance with the procedure laid down by the Company for Exercise of Options.
 - xiii. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Options vested in him in pursuance of the ESOP 2019.
 - xiv. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the ESOP 2019.
 - xv. **“Grant”** means issue of Options to the Employees under the ESOP 2019.
 - xvi. **“Grant Date”** means the date of the meeting of the Committee in which Grant of Options to the Employees is approved or any such date which may be determined by the Committee as the Grant date.
 - xvii. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - xviii. **“Market Price”** means the latest available closing price of Shares on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the applicable Relevant Date.

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

- xix. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee and opportunity of being heard:
- a. committing of any act warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the Committee amounts to a serious breach by an option Grantee of the obligation of trust and confidence to his employer; or
 - c. a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
 - d. being convicted of any criminal offence; or
 - e. being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual’s continued employment; or
 - f. having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other Group member into disrepute or discredit;
 - g. breach or violation of any Company policies/ Terms of Employment; and
 - h. Any other not included above but defined as misconduct in the Company’s rules or Employee handbook and / or employment agreement and/or appointment letter.
- xx. **“NCLT”** means the National Company Law Tribunal, of Bench at Mumbai, having jurisdiction in relation to the Fermenta Biotech Limited (“Transferor Company”), DIL Limited (“Transferee Company”) and as referred to in the Scheme of Amalgamation.
- xxi. **“Option”** means Employee Stock Options within the meaning of the Plan.
- xxii. **“Option Grantee”** means an Employee who has been granted an Option and has accepted such Grant as required under the Plan and shall deem to include

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- nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxiii. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxiv. **“Plan”** means and refers to ESOP 2019 defined hereof.
- xxv. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended.
- xxvi. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended.
- xxvii. **“Relevant Date”** means any of the following dates as the context requires:
- (i) in the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
 - (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxviii. **“Retirement”** means retirement as per the rules of the Company.
- xxix. **“Scheme of Amalgamation”** shall mean the scheme of amalgamation between the Fermenta Biotech Limited (“Transferor Company”), DIL Limited (“Transferee Company”) and their respective shareholders, as approved by the NCLT vide its order dated September 19, 2019 and deems to include any amendments effected in due compliance with Applicable Laws.
- xxx. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and reenacted from time to time, and includes any clarifications or circulars issued thereunder.
- xxxi. **“Secondary Acquisition”** means acquisition of existing Shares of the Company by the Trust on the platform of the recognized Stock Exchange from the existing shareholders (including Promoters and persons belonging to the Promoter Group) for consideration.

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- xxxii. **“Shares”** means equity shares of the Company of face value of Rs.5 (Five) each fully paid-up including the equity shares arising out of the Exercise of Options granted under ESOP 2019.
- xxxiii. **“Stock Exchange”** means the BSE Limited, National Stock Exchange of India Limited or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.
- xxxiv. **“Transferee ESOP Scheme”** means and refers to ESOP 2019 defined hereof.
- xxxv. **“Trust”** means the **“Fermenta Biotech Limited ESOP Trust”**, which was set up by the Transferor Company and amended pursuant to the Scheme of Amalgamation at meeting of the Board of the Company vide dated December 24, 2019, for the administration of the ESOP 2019 and which may, from time to time, facilitate the implementation of the Plan and hold cash, shares or other securities of the Company for the purposes of any of the employee stock option plans of the Company implemented from time to time.
- xxxvi. **“Trustee”** shall mean the person/ entity appointed as a trustee under the trust deed of the Trust and in accordance with Applicable Laws, to administer and manage the affairs of the Trust.
- xxxvii. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxviii. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- xxxix. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2019.
- xl. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xli. **“Vesting Period”** means the period during which the vesting of the Option granted to the Employee, in pursuance of the ESOP 2019 takes place.

2.2 Interpretation

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In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined here but defined in the SEBI SBEB Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

3. Authority and Ceiling

- 3.1 The Board in due compliance with the provisions of the Scheme of Amalgamation have authorized the Committee to grant not exceeding 1,94,555 Options to the eligible Employees in one or more tranches under ESOP 2019, from time to time, which in aggregate exercisable into not more than 1,94,555 (One Lakh Ninety Four Thousand Five Hundred and Fifty Five) Shares of face value of Rs.5 (Rupees Five) each fully paid up, out of which such number of Shares to be acquired by the Trust by way of Secondary Acquisition, but within the statutory limit prescribed, as per the provisions of the Applicable Laws, at such price, in one or more tranches and on such terms and conditions, as may be determined by the Committee in accordance with the provisions of this Plan. Each Option conferring a right upon the Employees to apply for one Share to be transferred by the Trust upon Exercise thereof, in accordance with the terms and conditions of such transfer and subject to the provisions of ESOP 2019.
- 3.2 The number of Options to be issued to the individual Option Grantee shall be decided as per the approved exchange ratio in the Scheme of Amalgamation, which may be different from Employee to Employee or any class thereof.
- 3.3 The maximum number of Options that may be granted to each Employee shall vary depending upon the designation and the appraisal/assessment process, however shall not

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exceed 98,100 (Ninety Eight Thousand One Hundred) Options per eligible Employee. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.5 Where Shares are transferred consequent upon Exercise of an Option under the ESOP 2019, the maximum number of Shares that can be transferred under ESOP 2019 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares transferred.
- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being granted under ESOP 2019 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 5 per Share and the revised face value after the Share consolidation is Rs.10 per Share, the total number of Shares available under ESOP 2019 would be (Shares reserved at Sub-Clause 3.1 / 2) Shares of Rs.10 each. Similarly, in case of bonus issue, etc. the available number of Shares under Plan shall be revised to restore the value.

4. Supervision and Administration

4.1 Supervision

- i. The 2019 shall be supervised by the Committee. All the functions relating to superintendence of this ESOP 2019 shall stand possessed and be discharged by the Committee. All questions of interpretation of the ESOP 2019 or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2019 or in any Option issued thereunder.
- ii. The Committee shall meet as required for the purposes of ESOP 2019.
- iii. The Committee shall in accordance with this Plan and Applicable Laws determine the following:

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- (a) The quantum of the Option to be granted under the ESOP 2019 per Employee, subject to the ceiling as specified in Para 3.1;
 - (b) the Eligibility Criteria for Grant of Option to the Employees;
 - (c) the time when the Options may be granted;
 - (d) the number of Options to be granted to each Option Grantee;
 - (e) the terms and conditions subject to which the Options granted would vest in the Option Grantee;
 - (f) the date of Vesting of the Options granted;
 - (g) the specific Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - (h) the specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
 - (i) the right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
 - (j) obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable in this regard which power can be delegated to any of the officials of the Company;
 - (k) the procedure for making a fair and reasonable adjustment to the number of Option and to the Exercise Price in case of corporate actions such as amalgamation, merger, sale of division, rights issues, bonus issues and others. In this regard following shall be taken into consideration by the Committee:
 - (i) the number and the price of Option shall be adjusted as per the scheme of arrangement approved by the competent authority in a manner such that total value of the Option in the hands of the Option Grantee remains the same after such corporate action; and
 - (ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees.

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- (l) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
 - (m) the conditions under which Option vested in Employees may lapse in case of termination of employment for misconduct;
 - (n) the procedure for cashless Exercise of Option, if required;
 - (o) approve forms, writings and/or agreements for use in pursuance of the ESOP 2019; and
 - (p) any matter relating to the Trust and aspects of administration of ESOP 2019 by the Trust;
- iv. The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee.

4.2 Administration

- i. The ESOP 2019 shall be administered by the Trust to the extent aspects of such administration are delegated by the Committee as per requirements of the Applicable Laws.
- ii. The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified under the Applicable Laws.
- iii. The Trustees while administering ESOP 2019 shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Committee and shall ensure compliance of the provisions of the Applicable Laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

5. Eligibility and Applicability

- 5.1 Only eligible Employees qualify for being granted Option under ESOP 2019. The specific Employees to whom the Option would be granted and their Eligibility Criteria shall be determined by the Committee at its sole discretion. The Eligibility Criteria of the

Employees who are eligible as per the Scheme of Amalgamation, shall be determined as per terms of the Scheme of Amalgamation.

5.2 The Plan shall be applicable to the Company and any successor company thereof and Options may be granted to the Employees, as determined by the Committee at its sole discretion.

5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

6. Grant and Acceptance of Grant

6.1 Grant of Options

(a) Number of Options to be granted to the eligible Employees along with relevant terms and conditions shall be determined as per the approved share exchange ratio in the Scheme of Amalgamation read with this the Plan. Any entitlement to any fractional Option shall be rounded down to the next higher whole number.

(b) Each Grant of Option under the Plan shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

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

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

7. Vesting Schedule and Vesting Conditions

7.1 Option granted under ESOP 2019 shall vest not earlier than minimum period of **1 (One)** year and not later than maximum period of **5 (Five)** years from the date of Grant of such

Options. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental in the interest of the Employees.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which such options granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period required under this Sub-clause. As such any Options granted to the Employees in lieu of options granted under ESOP 2015 shall be subject to adjustment of the Vesting Period.

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

7.6 Vesting of Options in case of Employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

8. Exercise

8.1 Exercise Price

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- (a) The Exercise Price per Option shall not be less than the face value of the Share of the Company at the time of Grant of Options. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.

Provided that the Exercise Price per Option for employee of the erstwhile Transferor Company to whom the revised number of Options has been granted under the ESOP 2019 in place of old employee stock options under the Fermenta ESOP as a fair and reasonable adjustment, shall be determined as per the approved share exchange ratio in the Scheme of Amalgamation.

- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or Trust or in such other manner as the Committee may decide from time to time.

8.2 Exercise Period

- (a) **Exercise while in employment:**

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

- (b) **Exercise in case of separation from employment:**

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

S. No.	Events of separation	Vested Options	Unvested Options
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1	Resignation / termination (other than due to Misconduct)	All the Vested Options as on the date of submission of resignation/ date of termination shall be exercisable by the Option Grantee before his last working day with the Company or before the expiry of the Exercise Period, whichever is earlier.	All the Unvested Options as on date of submission of resignation/ date of termination shall stand cancelled with effect from date such resignation/ termination.
2	Termination due to Misconduct	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
3	Retirement	All the Vested Options as on the date of Retirement can be exercisable by the Option Grantee before his last working day with the Company or before the expiry of the Exercise Period, whichever is earlier.	All Unvested Options on the date of Retirement shall stand cancelled with effect from date of Retirement.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 (Six) months from the date of death of the Option Grantee or before the expiry of the Exercise Period, whichever is later.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.

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5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than 6 (six) months from the date of such Incapacity of the Option Grantee, or before the expiry of the Exercise Period, whichever is later.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee and can be exercised in the manner defined for Vested Options.
6	Abandonment of employment	All the Vested Options shall stand cancelled with effect from such date as determined by the Committee.	All Unvested Options shall stand cancelled with effect from such date as determined by the Committee.
7	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

* Committee at its sole discretion shall decide the date of lapse of Options and such decision shall be final and binding on all concerned.

8.3 Procedure of Exercise

The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Trust or by any other means as decided by the Committee, for obtaining Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise including satisfaction of applicable tax thereon, to the extent applicable.

8.4 Lapse of Options

The Vested Options not exercised within the respective Exercise Periods prescribed in sub-clauses of Clause 8 shall lapse and be deemed to cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

9. Lock-in

The shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such shares under ESOP 2019.

Provided that the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Exit route in case of de-listing

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

11. Restriction on transfer of Options

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

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

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

12. Rights as a shareholder

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

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

12.3 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.1 (iii) of ESOP 2019.

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Maharashtra- 400610.

13. Deduction/Recovery of Tax

- 13.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued/transferred pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 13.2 The Company or Trust, as the case may be, shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company or Trust shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

- 14.1 For the purpose of efficient implementation and administration of the Plan but subject to provisions of the Applicable Laws and prior approval of the members of the Company by way of a special resolution, the Committee may, at its sole discretion, revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not be prejudicial to the interest of the Employees.
- 14.2 The Committee may also re-price the Options which are not exercised, whether or not they have vested, if Plan is rendered unattractive due to fall in the price of the Shares.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2019 shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment of Shares under this ESOP 2019 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

15.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to issue or sell such Shares.

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- 15.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.
- 15.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 15.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.
- 15.6 **General Risks**
Participation in the ESOP 2019 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.
- 16. Accounting Policy**
The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB Regulations.
- 17. Certificate from Auditors and Disclosures**
The Board shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the ESOP 2019 has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the Plan, in the manner specified under the SEBI SBEB Regulations.
- 18. Governing Laws**
18.1 The terms and conditions of the ESOP 2019 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

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18.2 Foreign Exchange Laws

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

18.3 Income Tax Rules

The Income Tax Laws and Rules in force will be applicable.

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2019 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

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

19.2 All notices of communication to be given by an Option Grantee to the Company in respect of ESOP 2019 shall be sent to the address mentioned below:

Head - Human Resource

Fermenta Biotech Limited (formerly known as DIL Limited)

Address: A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West),
Maharashtra- 400610.

E-mail: raveendranath.nair@fermentabiotech.com

20. Nomination

The Employee has to nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

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21. Jurisdiction

- 21.1 The Courts in Thane, Maharashtra, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2019.
- 21.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2019:
- (i) in any other court of competent jurisdiction; or
 - (ii) con-currently in more than one jurisdiction.

22. Listing of the Shares

Subject to receipt of necessary approvals in this regard, the Shares issued and allotted by the Committee or the Board on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed or proposed to be additionally listed.

23. Severability

In the event any one or more of the provisions contained in this ESOP 2019 shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this ESOP 2019, but ESOP 2019 shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOP 2019 shall be carried out as nearly as possible according to its original intent and terms.

24. Confidentiality

- 24.1 An Option Grantee must keep the details of the ESOP 2019 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the

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Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

For Fermenta Biotech Limited (Formerly known as DIL Limited)

Prashant Nagre

Chief Executive Officer

Date: January 28, 2020

Witness:

V. K. Raveendranath

General Manager - Human Resources & Administration

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