

ASTEC LIFESCIENCES LIMITED

EMPLOYEES STOCK OPTION PLAN, 2012 (ESOP 2012)

Preamble: During the Extra Ordinary General Meeting of the Company, held on Tuesday, 27th March, 2012, members of the Company passed a resolution for introducing a Stock Compensation Plan, called the Employees Stock Option Plan, 2012 (ESOP 2012), for the benefit of employees of the Company. The resolution also accorded approval for the Board of Directors, to formulate the plan as per broad parameters outlined in the resolution, either directly or through a Committee.

Accordingly, a Committee of Directors, called the Compensation Committee was constituted. The Committee, after due deliberations and after studying the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, has formulated the Employees Stock Option Plan, 2012 (ESOP 2012), details of which are furnished hereunder:

1 Definitions:

i) Director

Director is a person who holds the office of Director under the Companies Act.

ii) Employee

Employee means:

- a) a permanent employee of the company working in India or abroad ; or
- b) a director of the company whether a whole time director or not
- c) an employee as defined in (a) or (b) above of a subsidiary, domestic or overseas, or of a holding company of the company.

iii) Employee Compensation

Total employee compensation means the total cost incurred by the company towards employee compensation including basic salary, dearness allowance, other allowances, bonuses and commissions, and the value of all perquisites provided, but does not include:

- a) the fair value of the options granted under an ESOP; and
- b) the price discount of shares issued under an ESPP.

iv)

i) Employee Stock Option Plan (ESOP)

Employee Stock Option Plan (ESOP) means a plan under which the company grants options to employees.

ii) Employee Stock Purchase Plan (ESPP)

Employee Stock Purchase Plan (ESPP) means a plan under which the company offers shares to employees as part of a public issue or otherwise.

v) Exercise

The act of exercise implies an application being made by the employee to the company to have the options vested in him issued as shares upon payment of the option price. Exercise can take place as specified after vesting.

vi) Exercise period

Exercise period means the time period after vesting within which the employee should exercise his right to buy the shares by payment of the option price on the options vested in him. If the exercise period lapses the vested option lapses and no right shall accrue to the employee thereafter. The employee may exercise all the options vested in him in one stroke or choose to exercise a number of options within the exercise period. Unless shares are issued on exercise, the employee shall have no right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder.

vii) Grant

Grant is a process by which an employee is given an option. It is the delivering of the options to the employee. The grant shall specify the number of options given, the time of vesting, etc.

viii) Independent Director

A director of the company who is not a promoter or part of the promoter group and who is not a whole time director.

ix) Stands deleted.

x) Option

An option is a right but not an obligation granted to an employee under the ESOP to apply for and be allotted shares of the company at a price determined earlier, during or within a specific period of time, subject to the requirements of vesting.

xi) Option price/ grant price/ exercise price

Option Price / Exercise Price / Grant Price shall be Rs.10/- (Rupees Ten Only) per Option or Share, which shall be the price at which the Employee will exercise his option.

xii) Promoter and Promoter Group:

Promoter and promoter group shall be as defined in Clarification XIII of the Disclosure and Investor Protection Guidelines. Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

xiii) Share

Share means equity shares, non-voting shares (as and when introduced) and securities convertible into equity shares or non-voting shares and shall include ADRs, GDRs or other depository receipts representing underlying equity shares, non-voting shares or securities convertible into equity shares or non-voting shares.

xiv) Subsidiary/ holding company:

Subsidiary and holding company shall be as defined in Section 4 of Companies Act, 1956

xv) Up- front payment

Up-front payment means amount, if any, payable by the employee at the time of grant of option. This amount may be adjusted against the exercise price payable subsequently for acquiring the shares on exercising the options. This up-front amount payable for the options would stand forfeited if the options are not exercised and may be refunded to the employee if the options are not vested, due to severance of employment.

xvi) Vesting

Vesting means the process by which the employee gets the right to apply for and be issued shares of the company under the options granted to him. Till the vesting takes place, the employee does not have a right to apply for the shares. Upon vesting, the employee gets an unfettered right to apply for the issue of shares upon fulfillment of the conditions. In the event of an employee resigning from the services of the company or his employment being terminated for whatever reasons, all unvested options shall expire as on that date, but the employee would, subject to 2.7.4 (a), retain all the vested options.

xvii) Vesting period

Vesting period means the period over which the vesting of the options of the employee takes place. Vesting period can be a single time period or a series of time periods. In other words, vesting can take place in one stroke or in staggered time periods. For example, an employee may become entitled to have 500 options vested in him at the end of three years or of the 500 options granted to him, have 100 options vested in him at intervals of 12 months each.

01. Purpose of the ESOP Scheme: The ESOP Scheme envisages extending an option to the employees to acquire shares of Astec LifeSciences Limited, at a pre-determined price, as a way of employee compensation in recognition of their contribution to the overall performance, making them owners of the Company by virtue of such shareholding and as an incentive for higher performance levels.

02. Constitution, Role and Functions of Nomination and Remuneration Committee:

(a) The Nomination and Remuneration Committee is empowered to formulate detailed terms and conditions of the ESOP Scheme, administer and supervise the same. It shall be a Committee of the Board of Directors.

(b) The Nomination and Remuneration Committee shall meet as required for the purpose of administering the ESOP Scheme.

(c) The Nomination and Remuneration Committee shall select Employees to be offered Options.

(d) The Nomination and Remuneration Committee shall have powers to review the ESOP Scheme annually and recommend appropriate changes in the terms and conditions of the ESOP Scheme, if any, to the Board of Directors. Changes would be recommended in cases such as:

- the current ESOP Scheme does not fulfill the objectives set out for the ESOP scheme
- there are changes in legislation, which need to be incorporated in the ESOP Scheme
- such changes facilitate effective implementation or improvement of the ESOP Scheme
- such changes are for the welfare of the Employees

(e) The Nomination and Remuneration Committee shall ensure that the ESOP Scheme is implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

(f) No member of the Nomination and Remuneration Committee shall be liable for any decision or action carried out in good faith with respect to the ESOP Scheme of the Company.

(g) The Nomination and Remuneration Committee is empowered to constitute a working committee to assist the Nomination and Remuneration Committee in the selection and appraisal of Employees for the participation in the ESOP Scheme.

03. Administration of the ESOP Scheme:

Notwithstanding anything stated herein, but subject to the terms of the resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 27th March, 2012 approving the issue of Shares to the Employees under an Employees Stock Option Plan and the regulations prescribed by the Securities and Exchange Board of India, from time to time, the Nomination and Remuneration Committee in its absolute discretion has been authorised to determine all the terms governing the ESOP Scheme including any variation thereof and including but not limited to:

- determining the Employees amongst the categories of Employees to whom the Options are to be granted;
- the time when the Options are to be granted;
- the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
- the quantum of Options to be granted at various points in time;
- the criteria for determining the number of Options to be granted to Employees;
- the number of Options to be granted to each Employee;
- the terms and conditions subject to which the Options granted would vest in the Employee;
- the date of vesting of the Options granted;
- the terms and conditions subject to which the Options vested would be exercised by the Employee;

- the date within which the Options have to be exercised by the Employee;
- the number of Options to be apportioned / allocated for various grades of Employees;
- assignment of weightage to Company's performance, level/grade of Employee and such other criteria as may be determined by the Nomination and Remuneration Committee;
- the number of Options reserved, if any, for Granting to new Employees who would join the services of the Company;
- deciding the treatment of unvested Options upon termination of employment or upon a director ceasing to hold office;
- deciding adjustments to Grant size and Exercise Price of Options in case of bonus issue or rights issue or Share split or consolidation of Shares;
- obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the ESOP Scheme;
- framing suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995, by any Employee;
- framing appropriate procedures for granting, vesting and exercising of Options;
- arranging to get the shares, issued under the ESOP Scheme, listed in the Stock Exchanges on which the Equity Shares of the Company are already listed or may be listed in future;
- ensuring submission of information / reports, etc., in connection with the ESOP Scheme, to the Stock Exchanges at stipulated periodical intervals or otherwise.

04. Coverage of the ESOP Scheme:

- i) The ESOP Scheme shall extend to all permanent employees on the rolls of the Company and its Subsidiaries as on 28th May, 2012, who satisfies the following eligibility criteria:
 - Employees who have completed one year of service as on 28th May, 2012 under all categories i.e. 1, 2, 3 & 4.
 - Other Employees, including new recruits, as may be decided by the Nomination and Remuneration Committee.
- ii) The ESOP Scheme shall not extend to any promoter or those belonging to the promoter group or to any director, who either by himself or through his relative(s) or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

05. Ceiling on aggregate number of options : Options may be granted, from time to time, to such employees and in such numbers as may be decided by the Nomination and Remuneration Committee, subject to the stipulation that the aggregate number of shares issued and allotted under the ESOP 2012 Scheme shall not exceed 1%.

06. Ceiling on number of options per employee: No employee shall be issued options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of issuance, except with the specific approval of the members of the Company, accorded in a general body meeting.

07. Basis of grant of number of options to particular employees:

Nomination and Remuneration Committee would determine the number of options to be granted to various employees, cadre-wise or on a case by case basis, based on broad parameters like past and current performance and potential of the individual and criticality of the position. Decision of the Nomination and Remuneration Committee with regard to eligibility criteria or the number of Options granted to particular employees shall be final and it shall not be disputed.

08. Grant procedure: The employee identified for grant of stock option shall be furnished with (i) the salient features of the ESOP Scheme (ii) an Application Form for exercising the option at the appropriate time.

09. Option Exercise Price: The options will be issued at an exercise price of Rs.10/- (Rupees Ten Only) per option.

10. Agreement: An agreement shall be entered into by and between the Company, represented by its authorized official and the Employee participating in the ESOP Scheme, containing the mutual rights and obligations of either party under the ESOP Scheme.

11. *Stands deleted.*

12. Options:

12.1 Issue of Options:

(a) The Options are not transferable. Only the employee may exercise the options and apply for issue of shares in his own name. The Options issued to the Employees shall always be convertible into Shares.

(b) An Option cannot be pledged / hypothecated / mortgaged or otherwise alienated in any other manner.

(c) In the event of death of an Employee while in employment, all Options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee and must be exercised within 180 days from the date of death of the employee. All other terms and conditions of the ESOP Scheme shall apply to such options.

(d) In the event of Permanent Disability of an Employee, all options granted to such employee as on date of permanent disability would vest in him on that day. The option would be exercisable

at any time within the exercise period.

(e) In the event of termination or resignation of the Employee, all options granted and vested but not exercised as on that day shall lapse.

(f) In the event of termination of employment for misconduct, all options granted and vested but not exercised as on that day shall lapse with immediate effect.

(g) In case of Long leave, Nomination and Remuneration Committee together with management will have the right to cancel the options.

(i) In the event of severance of employment of an Employee as a part of reconstitution / amalgamation / sell-off or otherwise all Options granted to him would vest immediately and the Employee will have to exercise the Options within a period of 3 months from the date of severance. In the event that the Options are not exercised within this period, the Options would lapse.

(j) In the event of an Employee being transferred to a Subsidiary at instance of or with consent of the Company the Employee will continue to hold all vested options and can exercise them anytime within the exercise period. All unvested options shall vest as per the vesting schedule. The Options can be exercised at any time within the Exercise Period.

(j) In the event of retirement of an Employee at the instance of or with consent of the Company, Employee will continue to hold all Vested Options and can exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting Schedule. The Options can be exercised at any time within the Exercise Period. The above is applicable provided the Employee does not enter into competition / is employed by a competitor.

12.2 Exercise of Options:

The holder of options is entitled to apply for and be allotted such number of Equity Shares as may be decided by the Nomination and Remuneration Committee at its discretion, of the nominal value of Rs.10/- (Rupees Ten Only) each on payment of the Exercise Price during the Exercise Period. The eligible Employee shall exercise her / his right to acquire Equity Shares vested in him/her all at one time, and shall not be permitted to exercise in part at various points of time within the Exercise Period.

12.3 Vesting Period and Exercise Period:

(a) The Options granted under the Scheme shall vest in the following manner: -

- (i) 1/3 (one-third) at the end of 1 (one) year from the date on which the stock grants are awarded;
- (ii) 1/3 (one-third) at the end of 2 (two) years from the date on which the stock grants are awarded;
- (iii) 1/3 (one-third) at the end of 3 (three) years from the date on which the stock grants are awarded.

The shares to be vested as above shall be subject to the condition that the Employee is in continuous employment of the Company or the Subsidiary Company or the Holding Company as the case may be, and is not serving any notice of resignation on the date of vesting of the grant.

The Nomination and Remuneration Committee shall have the authority to vary the aforesaid terms subject to compliance with applicable regulations.

(b) The Options vested may be exercised by the Option grantee within 1 (one) month from the date of vesting or such other period as may be determined by the Nomination and Remuneration Committee.

12.4 Bonus Issue:

In the event of a bonus issue of securities being made by the Company during the Vesting Period the Option Grantee would be entitled to apply for and be allotted proportionately higher number of Options, in relation to the Unvested Options only, exercisable on the same terms as of the original Options except the Exercise Price. The Per Option Exercise Price of aggregate of Original Options and Bonus Options will be the aggregate Exercise Price of the number of Options eligible for Grant of Bonus Options, divided by the aggregate number of Original Options (eligible for Bonus Options) and Bonus Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the Original Options on which the Bonus Options have been issued. As regards vested but unexercised Options the employee would be entitled to immediately exercise the Options irrespective of the stipulation regarding exercise as detailed out in clause 12.3. In case the Employee does not exercise the vested Options 2 weeks before the Record Date fixed by the Board of Directors for determining Shareholders eligible for Bonus Shares, the Employee would not be eligible for the above said Bonus Options.

12.5 Adjustments:

The Nomination and Remuneration Committee will introduce the procedure for making fair and reasonable adjustments to the number of options and the exercise price, when corporate actions such as rights issue or bonus issues are initiated.

12.6 Conversion of Options:

The Option grantee may exercise the granted options as per lots offered during the respective vesting periods or cumulatively during the subsequent period, but within the overall exercise period. The options may be exercised only in full in respect of the shares comprised in each

lot covered by the options and not any part of those lots. The exercise option shall entitle issuance of shares by the company in physical or electronic form as per the option of the option grantee.

12.7 Transfer of Options:

The Options held by the Option Grantee are not transferable. The Option Grantee shall not pledge / hypothecate / charge / mortgage / assign or in any other manner alienate or dispose off the Options.

12.8 Restrictions on Rights of Option Holders:

The Option Grantees are not entitled to any rights which the Shareholders enjoy including voting rights and rights in the Company as to dividend prior to conversion of Options into Shares and Nomination and Remuneration Committee may also stipulate lock in period for the Shares issued pursuant to exercise of Options.

12.9. Consequence of failure to Exercise Option:

The amount payable by the Employee, if any, at the time of conversion of Option:-

(a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or

(b) the amount may be refunded to the Employee if the Options are not vested due to non-fulfillment of any condition relating to vesting of Option as per the ESOP Scheme

13. Shares:

13.1 Issue of Shares:

After the Options are converted into Shares pursuant to exercise of the Options, the Shares issued to the Employee shall be subject to the terms and conditions as mentioned below.

13.2 Ranking of Shares:

The Shares issued on the exercise of Options shall rank pari-passu with all the existing equity shares of the Company. The Shares issued on the exercise of Options shall be eligible for dividend from the date of their allotment and pro-rata for the financial year for which the dividend is declared.

13.3 Listing of Shares:

The Shares issued on exercise of the Options shall be listed on all the stock exchanges where the Company's equity Shares are listed and will be subject to terms and conditions of the listing agreements with the stock exchanges in addition to the terms and conditions of the ESOP Scheme.

13.4 Buy-back:

The Shares issued pursuant to any exercise of Options, along with other Shares issued by the Company, subject to applicable law and procedure, be subject to an approved scheme of buy-back by the Company.

13.5 FEMA:

Where the Employee is, at the time of the issue of Shares pursuant to the ESOP Scheme, a resident outside India, the issue will be made according to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA).

14. Tax Liability:

In the event of any tax liability, including any tax liability due to change in the tax laws relating to the ESOP Scheme, arising on account of the issue of the Options / conversion into Shares / sale of Shares or any other event, to the Employee, such tax liability shall be that of the Employee alone.

In the event of any tax liability, including any tax liability due to change in the tax laws relating to the ESOP Scheme, the Company on the advice of the Nomination and Remuneration Committee shall have the right to call upon the Employees to pay.

15. Changes in the terms and conditions of the ESOP Scheme:

The Company or the Nomination and Remuneration Committee may at any time as the case may be at its discretion change the terms and conditions of the ESOP Scheme. This change however will not be to the detriment of the Option Grantee.

16. Benefits and obligations as Option Grantee:

a) Where the Options have been vested or not been vested, should any changes be made to the par value of the equity Share of the Company by reason of consolidation, sub-division, or conversion of shares into stock, appropriate adjustments shall be made either to the number of options or the Exercise Price of options granted, to reflect such change without in any way affecting the rights of the said Options grantee, and also prevent a dilution or enlargement of benefits of the ESOP Scheme.

b) Where the options have been vested or not been vested, should the equity share capital of the company be increased by capitalization by bonus issue, appropriate adjustments shall be made either to the number of options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the said option grantee, and also prevent a dilution or enlargement of benefits of the scheme.

c) In the event of (1) a merger or amalgamation in which the Company is not the surviving entity or (2) a reverse merger in which the Company is the surviving entity but the Shares of the Company's un-issued Share capital immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, then, to the extent permitted by the applicable law, any surviving entity shall assume any options outstanding under the ESOP Scheme or

shall substitute similar Options for those outstanding under the ESOP Scheme. In the event any surviving entity refuses to assume or continue such Options or to substitute similar Options for those outstanding under the ESOP Scheme, then such vested Options shall be terminated if not exercised prior to such event. In the event of a dissolution or liquidation of the Company, any vested options outstanding under the ESOP Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

d) The Employee shall undertake not to utilize any unpublished information available at his disposal to indulge in insider trading as prohibited under the SEBI (Insider Trading) Regulations, 1992, and shall give an undertaking to the effect in a form prescribed by the Company.

e) The Employee who is a participant under the ESOP Scheme shall not divulge the details of the ESOP Scheme and his holdings to any person except with the prior permission of the Company obtained in writing.

f) The Employee shall not under any circumstances assign or transfer his rights or obligations under the ESOP Scheme to any third party, without the consent in writing by the Company. However, he may bequeath the same by means of a legally executed Will.

g) Decision of Nomination and Remuneration Committee shall be final and binding with respect to any of the matters set out herein.

17. General Risks:

Participation in this ESOP Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments is that of the Employee alone.

18. Rights Issue:

In the event of a rights issue of securities being made by the Company during the Vesting Period, adjustment, if any, to the Exercise Price and number of Options of the said Option Grantee would be decided by the Nomination and Remuneration Committee at its absolute discretion.

19. Option of Conversion:

The Option Grantee may exercise the granted Option in part or in whole and the exercise of Options shall entail issuance of Shares by the Company in physical or electronic form as per the Option of the Option Grantee.

20. Appointment of Nominee:

The Employee may appoint his spouse and / or child(ren) (in the case of minor child (ren) through a guardian) as nominee(s) for the purpose of exercising the rights,

subject to the obligations, in terms of the ESOP Scheme. The Employee concerned shall appoint such nominee(s), by executing a Nomination Form as prescribed by the Company. The Employee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. If the Employee does not have a spouse or a child, any other person may be nominated. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Employee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heirs inter se of the Employee concerned. In the absence of nomination or in the event of death of the nominee before exercising the options under the ESOP Scheme, the legal heirs of the Employee shall have the right to exercise the options as vested on the Employee on his death.

21. *Stands deleted.*

22. Appraisal Process

Before granting the options to the employees under the Plan, the Board including the Nomination and Remuneration Committee) would, apart from examining and valuating overall group corporate performance, inter alia, take into consideration the length of service, grade, performance, merit, key position, future potential contribution and conduct of the employee and such other factors as may be deemed appropriate by it.

23. Compliance with Accounting Standards

At all times Company shall comply with all the applicable Accounting Standards and Policies in respect of the ESOP Scheme, 2012.

(The above Employees Stock Option Plan (ESOP), 2012 is as amended by the Shareholders by way of a Special Resolution obtained by way of Postal Ballot, whose results have been declared on 27th September, 2021.)