



**Rainbow Children's Medicare Limited – Employees Stock
Unit Plan 2023**

Rainbow Children's Medicare Limited

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CIN: L85110TG1998PLC029914

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Table of Contents

1. NAME, OBJECTIVE AND TERM OF THE PLAN	3
2. DEFINITIONS AND INTERPRETATION.....	3
3. AUTHORITY AND CEILING	7
4. ADMINISTRATION	8
5. ELIGIBILITY AND APPLICABILITY	9
6. GRANT OF STOCK UNITS.....	9
7. VESTING SCHEDULE AND VESTING CONDITIONS	10
8. EXERCISE.....	11
9. LOCK-IN	13
10. EXIT ROUTE IN CASE OF DE-LISTING	13
11. RESTRICTION ON TRANSFER OF UNITS.....	13
12. RIGHTS AS A SHAREHOLDER	13
13. DEDUCTION/RECOVERY OF TAX	14
14. AUTHORITY TO VARY TERMS.....	14
15. MISCELLANEOUS	14
16. ACCOUNTING AND DISCLOSURES	15
17. CERTIFICATE FROM SECRETARIAL AUDITORS	15
18. GOVERNING LAWS	15
19. NO RESTRICTION ON CORPORATE ACTION	15
20. NEW SCHEMES.....	16
21. NOTICES.....	16
22. NOMINATION	16
23. JURISDICTION	16
24. LISTING OF THE SHARES	16
25. SEVERABILITY.....	17
26. CONFIDENTIALITY	17

1. Name, Objective and Term of the Plan

1.1 This Employee Stock Incentive Units Plan shall be called '**Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023**' ("**Stock Unit Plan 2023**")/ "**Plan**").

1.2 The Company contemplates to issue such number of share-based incentive units comprising of Stock Units within the prescribed ceiling of Shares under this Plan with a view to reward the key Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views Stock Units as long-term incentive instruments that would while limiting the dilution in the shareholding, also enable the eligible Employees who are in leadership positions, or holding critical roles to get a share in the value they create for the Company in the years to come. Accordingly, the main objectives of the Plan are:

- (i). to achieve sustained growth of the Company and create shareholder value by aligning the interests of the eligible employees with the long-term interests of the Company;
- (ii). to attract and retain talent and as well as to motivate the eligible employees to the growth and profitability of the Company;
- (iii). to recognize and reward the efforts of eligible employees and their continued association with the Company; and
- (iv). to enable the eligible Employees to have greater involvement in the existing Plan of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation, and retention.

1.3 The Plan was approved by the Board of Directors on March 18, 2023 and by the Shareholders of the Company on May 6, 2023. The Plan is effective from the date of the shareholders' approval and shall continue to be in force until (i) its termination by the Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Units available for issuance under the Plan have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- i. "**Applicable Law**" means and includes Indian law relating to Stock Incentive Units by whatever name called, including but without limitation to the Companies Act and the rules framed thereunder, Securities and Exchange Board of India Act 1992 (SEBI), SEBI (SBEB & SE) Regulations 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 administer and supervise the Plan and other employee benefit schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI (SBEB & SE) Regulations read with powers specified in this Plan.

- 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 **Rainbow Children's Medicare Limited**, a company registered in India under the provisions of the Companies Act, 1956, having corporate identification number L85110TG1998PLC029914 with its registered office at 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad – 500034, Telangana.
- 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.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Units to the Employees.
- ix. **“Employee”** means
 - i. an employee as designated by the Company, who is exclusively working in India or outside India; or
 - ii. a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director.

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 outstanding equity shares of the Company.
- x. **“Exercise”** of Units means expression of an intention by an Employee to the Company to purchase the Shares underlying the Units vested in him, in pursuance of the Plan, in accordance with the procedure laid down by the Company for Exercise of Units.
 - xi. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Units vested in him in pursuance of the Plan.
 - xii. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Units granted to him in pursuance of the Plan determined as per provisions of Sub-clause 8.1.
 - xiii. **“Grant”** means issue of Units to the Employees under the Plan.
 - xiv. **“Grant Date”** means the date of the meeting of the Committee in which Grant of Units to the Employees is approved.

Explanation: For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- xv. **“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.

- xvi. "**Lock-in Period**" means the period during which the Employee must not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over or right attaching to any of his Shares.
- xvii. "**Merchant Banker**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xviii. "**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 an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
 - (iii) gross negligence, Misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labor laws after following the principles of natural justice; or
 - (vii) Any other terms and conditions as notified by the Committee from time to time.
- xix. "**Nomination Form**" means the form through which an Employee may nominate a person on his behalf to exercise the rights of such Employee under the Plan.
- xx. "**Permanent Incapacity / disability**" means any disability of whatsoever nature, be it physical, mental or otherwise, which permanently 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(s) identified by the Company.
- xxi. "**Plan**" means and refers to '**Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023**' ("**Stock Unit Plan 2023**")/ "**Plan**") defined hereof.
- xxii. "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxiii. "**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 2018, as amended.
- xxiv. "**Retirement**" means retirement or superannuation as per the applicable rules of the Company and or terms of appointment.
- xxv. "**SEBI (SBEB & SE) Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder.

- xxvi. **“Secretarial Auditor”** means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxvii. **“Shares”** means equity shares of the Company of face value of Rs. 10 (Rupees Ten) each fully paid-up including the equity shares arising out of the Exercise of Units granted under the Plan.
- xxviii. **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.
- xxix. **“Stock Unit Plan 2023”** means the ‘Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023’ (“Stock Unit Plan 2023”/ “Plan”) under which the Company is authorized to grant Units to the Employees.
- xxx. **“Stock Units” or “Stock Incentive Units”** means a Stock Units 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 units at pre-determined price (face value of Shares of the Company).
- xxxi. **“Subsidiary Company”** means any present or future subsidiary of the Company, as per the provisions of the Companies Act.
- xxxii. **“Unit”** means Stock Units or Stock Incentive Units individually or collectively, as the context may require within the meaning of the Plan.
- xxxiii. **“Unit Grantee”** means an Employee who has been granted Units, has accepted such Grant as required under the Plan and shall deem to include nominee/ legal heir of Unit Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxxiv. **“Unvested Units”** means a Unit in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Unit Grantee has not become eligible to Exercise the Unit.
- xxxv. **“Vested Units”** means a Unit in respect of which the relevant Vesting Conditions have been satisfied and the Unit Grantee has become eligible to Exercise the Unit.
- xxxvi. **“Vesting”** means earning by the Unit Grantee, of the right to Exercise the Unit granted to him in pursuance of the Plan.
- xxxvii. **“Vesting Condition”** means any condition subject to which the Unit granted would vest to Unit Grantee.
- xxxviii. **“Vesting Period”** means the period during which the Vesting of the Unit granted to the Employee, in pursuance of the Plan takes place.

2.2 Interpretation

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;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- f) for the purposes of any calculation under this Plan any fraction will be rounded up or down to the nearest integer;
- g) reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution, or re-enactment thereof;
- h) the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws including SEBI (SBEB & SE) Regulations, as the context requires; and
- i) Words / phrases and expressions used and not defined here but defined in the SEBI (SBEB & SE) 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 shareholders of the Company by way of special resolution dated **May 6, 2023** approved the Plan, authorizing the Committee to grant not exceeding **4,00,000 (Four Lakhs)** Units to the eligible Employees, in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than **4,00,000 (Four Lakhs)** Shares of face value of **Rs. 10 (Rupees Ten Only)** each fully paid up, with each such Unit conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Units under Plan that may be granted to any Employee in aggregate shall not be more than **3,00,000 (Three Lakhs)** Units.
- 3.3 If a Unit expires, lapses, or becomes un-exercisable due to any reason, it shall be brought back to the Units pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.4 Where Shares are issued consequent upon Exercise of a Unit under the Plan, the maximum number of Shares that can be issued under the Plan as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.5 In case of a consolidation, if the revised face value of the Share becomes more than the current face value, the maximum number of Shares available for being granted under the Plan 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 consolidation remains unchanged after such consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share consolidation is Rs. 20 per Share, the total number of Shares available under the Plan would be (Shares reserved at Sub-Clause 3.1/ 2) Shares of Rs. 20 each. Same principle shall be followed in case of a Share split at any point in time. In case of corporate actions including bonus issue of Shares, the Shares reserved at Sub-Clause 3.1 shall stand revised as per requirements of SEBI (SBEB & SE) Regulations read with Sub-clause 4.2(f).

- 3.6 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Units to any identified Employee, in any one financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Units.

4. Administration

- 4.1 The Plan shall be administered directly by the Committee. All questions of interpretation of the Plan including or any of the Scheme thereunder or any Unit shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Unit issued thereunder.

- 4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (a) the quantum of the Unit to be granted under the Plan per Employee, subject to the ceiling as specified in Sub-clause 3.1 and 3.2;
- (b) the Eligibility Criteria for Grant of Unit to the Employees;
- (c) the specific Exercise Period within which the Employee should Exercise the Unit and that Unit would lapse on failure to Exercise the Unit within the Exercise Period;
- (d) the specified time period within which the Employee shall Exercise the Vested Unit in the event of termination or resignation of an Employee;
- (e) the right of an Employee to Exercise all the Units vested in him at one time or at various points of time within the Exercise Period;
- (f) the procedure for making a fair and reasonable adjustment to the number of Unit and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - (i) the number and the price of Unit shall be adjusted in a manner such that total value of the Unit remains the same after the corporate action; and
 - (ii) the Vesting Period and the life of the Unit shall be left unaltered as far as possible to protect the rights of the Unit Grantees.
- (g) the procedure and terms for the Grant, Vesting and Exercise of Unit in case of Employees who are on long leave;
- (h) the circumstances under which the Unvested Units can be accelerated for Vesting;

- (i) the conditions under which Unit vested in Employees may lapse in case of termination of employment for Misconduct;
 - (j) the procedure for buy-back of Units granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (iii) limits upon quantum of Units that the Company may buy-back in a financial year.
 - (k) the procedure for funding for Exercise of Units, as permitted under the Applicable Laws; and
 - (l) approve forms, writings and/or agreements for use in pursuance of the Plan.
- 4.3 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.
- 4.4 The Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Laws, such power to do specific acts and things without limitation to the listing of Shares on recognized Stock Exchange(s) arising pursuant to Exercise of Vested Units, execution and submission of various document(s) to recognized Stock Exchange(s) or any other institution as may be deemed necessary in connection with the Plan.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Unit under the Plan. The specific Employees to whom the Unit would be granted, and their Eligibility Criteria shall be determined by the Committee.
- 5.2 Appraisal process for determining the eligibility of the Employees will be based on grade, criticality, skills, potential contribution, and such other criteria as may be determined by the Committee at its sole discretion, from time to time.
- 5.3 This Plan shall be applicable to the Company, and any successor company thereof to the extent any Units have been granted to the Employees of such entities, to the extent required under the Applicable Laws.

6. Grant of Stock Units

6.1 Grant of Units

- (a) Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.

- (b) Each Grant of Units 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 **30 days** from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Unit 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 Units granted under Plan shall vest not earlier than minimum Vesting Period of **1 (one)** year and not later than maximum Vesting Period of **5 (Five)** years from the Grant Date.

Provided that in case where Units are granted by the Company under the Plan in lieu of Units held by a person under a similar Plan in another company (“Transferor Company”) which has merged, demerged, arranged or amalgamated with the Company, the period during which the Units granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period as per the Plan.

Provided further that in the event of death or Permanent Incapacity, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, the Units shall vest on the date of death or Permanent Incapacity, as the case may be.

- 7.2 Vesting of Units would be subject to continued employment with the Company subject to the condition that the Employee is not under notice of resignation.
- 7.3 The Units would vest essentially on the basis of continued tenure. Apart from this, the Committee shall prescribe achievement of performance condition(s) for Vesting as per the disclosure made in the explanatory statement to the special resolution approving this Plan. The Committee, at its discretion, may also specify additional parameters including certain performance criteria subject to satisfaction of which the Units would vest. The specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter of Grant issued to the Unit Grantee at the time of Grant.
- 7.4 As a prerequisite for a valid Vesting, a Unit Grantee should not be subject to any disciplinary proceedings pending against him on the date of Vesting. In case of any disciplinary proceedings against any Unit Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.

7.5 Unless otherwise determined by the Committee, the specific Vesting schedule for any Grant shall be as follows:

Dates of Vesting	Vesting of Units
1 st Anniversary from the date of Grant	20% of the Units Granted
2 nd Anniversary from the date of Grant	20% of the Units Granted
3 rd Anniversary from the date of Grant	20% of the Units Granted
4 th Anniversary from the date of Grant	20% of the Units Granted
5 th Anniversary from the date of Grant	20% of the Units Granted

7.6 **Vesting of Units 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 of Stock Units**

- (a) The Exercise Price per Unit shall be the face value of Shares of the Company as on Grant Date. The Exercise Price shall be intimated to the Unit Grantee in the Grant letter at the time of Grant.
- (b) Payment of the Exercise Price shall be made by online payment to the account of the Company, or in such other mode and 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 the Vested Units shall be subject to a maximum period of 3 (Three) months from the date of each Vesting.

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

The Units can be exercised as under:

S. No.	Events of separation	Vested Units	Unvested Units
1	Resignation / termination (other than due to Misconduct)	All the Vested Units as on the date of submission of resignation/ date of termination shall be exercisable by the Unit Grantee within 2 (two) months from last working day of Unit Grantee.	All the Unvested Units as on date of submission of resignation/ date of termination shall stand cancelled / lapsed/ expired with effect from date of such resignation/ termination.

S. No.	Events of separation	Vested Units	Unvested Units
2	Termination due to Misconduct	All the Vested Units at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.	All the Unvested Units at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.
3	Retirement	All the Vested Units as on the date of Retirement can be exercisable by the Unit Grantee within 3 (three) months from the date of Retirement.	All Unvested Units as on the date of Retirement would continue to vest in accordance with the original vesting schedule even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law and can be Exercised within a period of 3 (three) months from the date of Vesting.
4	Death	All Vested Units may be exercised by the Unit Grantee's nominee or legal heir immediately after, but in no event later than 12 (twelve) months from the date of death of the Unit Grantee.	All the Unvested Units as on date of death shall vest immediately with effect from the date of his/her death to the Unit Grantee's nominee or legal heir and can be exercised within 12 (twelve) months from the date of death by nominee of legal heirs.
5	Permanent Incapacity	All Vested Units may be exercised by the Unit Grantee, immediately after, but in no event later than 12 (twelve) months from the date of such incapacity.	All the Unvested Units as on date of incurring of such incapacity shall vest immediately with effect from such event to the Unit Grantee and can be exercised within 12 (twelve) months from the date of permanent incapacity.
6	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Units as on that date can be exercised by the Unit Grantee or not, and such decision shall be final.	All Unvested Units on the date of such termination shall stand cancelled/ lapsed/ expired unless otherwise required by Applicable Laws.

8.3 The Units shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Units vested in him/ her, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

8.4 The Units not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Units.

8.5 Lapse of Units

The Units 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 Unit Grantee shall have no right or recourse over such lapsed/ cancelled/ expired Units.

9. Lock-in

The Shares arising out of Exercise of Vested Units shall not be subject to any lock-in period from the date of allotment of such Shares under the Plan.

Provided that the Shares allotted on such Exercise cannot be transferred 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 Units and Unvested Units in due compliance of the Applicable Laws.

11. Restriction on transfer of Units

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

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

11.3 No person other than the Employee to whom the Unit is granted shall be entitled to Exercise the Unit except in the event of the death of the Unit 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 Units granted, till Shares underlying such Units are issued by the Company up on Exercise of such Unit.

12.2 Nothing herein is intended to or shall give the Unit 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 Unit Grantee exercises the Unit and becomes a registered holder of the Shares of the Company.

- 12.3 If the Company issues bonus shares or rights shares, the Unit Grantee shall not be eligible for the bonus or rights shares in the capacity of a Unit Grantee. However, an adjustment to the number of Units or the Exercise Price or both would be made in accordance with sub-clause 4.2 (f) of the Plan.

13. Deduction/Recovery of Tax

- 13.1 The liability of paying taxes, if any, in respect of Units granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Unit Grantee (or his/her nominee(s)/ legal heir(s) in case of death of Unit Grantee while in employment) 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 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 shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Unit Grantee in full.

14. Authority to vary terms

The Committee may with prior approval of the shareholders, revise the terms of the Plan and/or terms of the Units already granted under the Plan subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.

Provided that the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

15. Miscellaneous

- 15.1 **Regulations**
This Plan shall be subject to all Applicable Laws, and approvals from government authorities required if any. The Grant and the allotment of Shares under this Plan shall also be subject to the Company requiring Employees to comply with all Applicable Laws including Company's rules and regulations.
- 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.
- 15.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted a Unit 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 Unit on any other occasion.

15.4 The rights granted to Unit Grantee upon the grant of a Unit shall not afford the Unit 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 Unit 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 Units in whole or in part.

15.6 **General Risks**

Participation in the Plan 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 Unit Grantee alone.

16. Accounting and Disclosures

16.1 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 statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI (SBEB and SE) Regulations.

17. Certificate from Secretarial Auditors

The Committee shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI (SBEB & SE) Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

18.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

18.2 **Foreign Exchange Laws**

In case any Units are granted to any Employee being resident outside India belonging to the Company, working outside India, 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 Units and issue of Shares thereof.

19. No Restriction on Corporate Action

The existence of the Plan and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorize any change in capital structure, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Grant made under the Plan. No Employee or other person shall have any claim against the Company as a result of such action. However, the Committee shall make fair and reasonable adjustments due to such events as specified in Clause 4.2 (f) of the Plan.

20. New Schemes

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

21. Notices

21.1 All notices of communication required to be given by the Company to Unit Grantee by virtue of this Plan 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 Unit Grantee available in the records of the Company; and/ or
- ii. delivering the communication(s) to the Unit Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. emailing the communication(s) to the Unit 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 Unit Grantee after cessation of employment.

21.2 All notices of communication to be given by Unit Grantee to the Company in respect of Plan shall be sent to the address mentioned below:

Attention: Chief Human Resources Officer
Company: Rainbow Children's Medicare Limited
Address: 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad – 500034
Email: [REDACTED]

22. Nomination

The Employee may nominate a person as his/her nominee with submission of Nomination Form complete in all respects. The nominee in case of death or Permanent 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.

23. Jurisdiction

23.1 The Courts in Hyderabad, India shall have exclusive jurisdiction in respect of any or all matters, disputes or differences arising in relation to or out of this Plan.

23.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:

- (i) in any other forum or court of competent jurisdiction; or
- (ii) con-currently in more than one jurisdiction.

24. Listing of the Shares

24.1 The Company shall not Grant Units under the Plan unless it obtains in-principle approval from the Stock Exchanges where it is listed.

- 24.2 The Company shall appoint a Merchant Banker for the implementation of the Plan upto in-principle approval from the Stock Exchanges where it is listed.
- 24.3 Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Units shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.

25. Severability

In the event any one or more of the provisions contained in this Plan 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 Plan, but Plan shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

26. Confidentiality

- 26.1 A Unit Grantee must keep the details of the Plan 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 Unit Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Units 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 Unit 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.
- 26.2 On acceptance of the grant of Units offered by the Company, it shall be deemed that as if the Unit Grantee has authorized the Company to disclose information relating to the Unit 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.

-----END OF DOCUMENT-----