

**Niva Bupa Employee Stock Option Plan 2024**

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

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## 1. Name, Objective and Term of the Plan

- 1.1 This Employee Stock Option Plan shall be called the ‘Niva Bupa Employee Stock Option Plan 2024’ (“**ESOP 2024**”/ “**Plan**”).
- 1.2 The objective of the ESOP 2024 is to attract, retain, motivate, and reward the eligible Employees for their association, dedication, and contribution to the goals of the Company. The Company views Employee Stock Options (“**Options**”) as a long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The ESOP 2024 is established with effect from December 13, 2023, on which the shareholders of the Company have approved the ESOP 2024 and shall continue to be in force until (i) its termination by the Board or Committee in accordance with the provisions of Applicable Law, or (ii) the date on which all of the Options available for Grant under the ESOP 2024 have been issued and exercised, whichever is earlier. The ESOP 2024 was further amended vide Committee resolution dated May 10, 2024, Board resolution dated May 10, 2024 and special resolution dated May 10, 2024.

## 2. Definitions and Interpretation

### 2.1 Definitions

- i. “**Applicable Law**” means every law relating to this Plan including and without limitation to the Companies Act, as amended and the rules framed and circular, notification issued thereunder, Insurance Regulatory and Development Authority of India Act, 1999, as amended and the rules and regulations framed thereunder, including any circular, notification issued thereunder, Securities and Exchange Board of India Act 1992, SEBI SBEB & SE Regulations, the SEBI LODR Regulations and includes any statutory modifications or re-enactments thereof to the extent required 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. “**Associate Company**” shall have the meaning ascribed to such term under the Companies Act.
- iii. “**Board**” means the Board of Directors of the Company.
- iv. “**BUPA**” means ‘Bupa Singapore Holdings Pte Ltd., a company registered under Accounting and Corporate Regulatory Authority, Singapore having its registered office at 600 North Bridge Road #5 -1 Parkview Square, Singapore- 188778 which is one of the shareholders of the Company.
- v. “**Cause**” 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 fraud or misconduct or any willful neglect of or refusal to carry out any of his/her duties or Company's code of conduct 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.
- vi. **“Committee”** means the nomination and remuneration committee constituted by the Board from time to time, to administer and supervise the ESOP 2024 and other employee benefit plan/schemes, if any, (i) prior to IPO, comprising of such members of the Board as provided under Section 178 of the Companies Act and (ii) post IPO, comprising of such members of the Board in terms of Regulation 19 of the SEBI LODR Regulations 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.
  - vii. **“Companies Act”** means the notified sections of the Companies Act, 2013 read with the rules issued thereunder from time to time and includes any statutory modifications or reenactments, or amendments thereof and includes the orders, notifications and circulars issued thereunder.
  - viii. **“Company”** means “Niva Bupa Health Insurance Company Limited”, a

company registered in India under the provisions of the Companies Act, 1956, having CIN: U66000DL2008PLC182918 and having its registered office : C-98, First Floor Lajpat Nagar, Part 1, South Delhi, New Delhi, Delhi, India, 110024.

- ix. **“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.
- x. **“Compensation Policy”** means such policy of the Company being formulated and implemented under the relevant guidelines issued by the Insurance Regulatory and Development Authority of India for compensation of Directors and other Employees of the Company.
- xi. **“Director”** means a member of the Board of the Company.
- xii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for Granting the Options to the Employees.
- xiii. **“Employee”** means:

*Prior to IPO:*

- (i) a permanent employee of the Company working in India or out of India; or
- (ii) a Director of the Company, whether whole time or not;
- (iii) an employee as defined in clauses (i) or (ii) of a Subsidiary Company, in India or outside India, or of a Holding Company of the Company,

**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 any body corporate, directly or indirectly holds more than 10% (Ten percent) of the issued and subscribed Shares of the Company;
- (c) a Director being an Independent Director;
- (d) any non-executive director.

*Post IPO:*

- (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; or
- (iii) an employee as defined in sub-clauses (i) or (ii) above, of a Group company including Subsidiary Company(ies) or its Associate Company(ies), in India or outside India, or of a Holding Company of the Company.

**but shall not include:**

- (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% (ten per cent) of the outstanding Shares of the Company.
- xiv. **“Employee Stock Option”** means an Option Granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe the Shares underlying the Option at a pre-determined price at a future date.
  - xv. **“ESOP 2024”** means the ‘Niva Bupa Employee Stock Option Plan 2024’ under which the Company is authorized to Grant Options to the Employees.
  - xvi. **“Exercise”** of an Option means expression of an intention by an Option Grantee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2024, in accordance with the procedure laid down by the Company for Exercise of Options.
  - xvii. **“Exercise Period”** means such time period after Vesting within which the Option Grantee may Exercise the Options vested in him/her in terms of provisions of Sub- clause 8.2 of the ESOP 2024.
  - xviii. **“Exercise Price”** means the price payable by an Option Grantee in order to Exercise the Options Granted to him in pursuance of the ESOP 2024
  - xix. **“Fair Market Value”** means the value of a Share of the Company as determined by a registered valuer or an independent valuer, as required by Applicable Laws the time being in force and appointed by the Company from time to time.
  - xx. **“Fettle Tone”** means ‘Fettle Tone LLP’, a limited liability partnership entity registered under Registrar of Companies (RoC-Mumbai) having its registered office at Suite F9C, Grand Hyatt Plaza Santacruz (East) Mumbai Mumbai City MH 400055 which is one of the shareholders of the Company.
  - xxi. **“Grant”** means issue of Options to the Employees under the ESOP 2024.
  - xxii. **“Group”** shall have the same meaning ascribed to it under the SEBI SBEB

& SE Regulations.

- xxiii. **“Holding Company”** means any present or future holding company of the Company, as per the provisions of the Companies Act.
- xxiv. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act 2013 and post IPO as under the SEBI LODR Regulations, as applicable.
- xxv. **“Initial Public Offer/IPO”** means initial public offer (‘IPO’) of Shares in accordance with Applicable Law and the Shareholders Agreement followed by Listing of its Shares on any recognized Stock Exchange in India.
- xxvi. **“Listing”** shall mean the listing of the Company’s Shares on any recognized Stock Exchange in India.
- xxvii. **“Option”** means Employee Stock Option within the meaning of this Plan.
- xxviii. **“Option Grantee”** means an Employee who has been granted an Option and has accepted such Grant as required under the Plan and shall be deemed to include 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.
- xxix. **“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.
- xxx. **“Plan”** means and refers to ESOP 2024 defined hereof.
- xxxi. **“Promoter”** has the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxxii. **“Promoter Group”** has the meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxxiii. **“Retirement”** means retirement as per the rules of the Company.
- xxxiv. **“SEBI LODR Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vi. **“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.

- xxxv. **“Shareholders Agreement”** means the shareholders agreement dated 29 September 2023 executed between Bupa, Fettle Tone, and the Company, and as amended from time to time.
- xxxvi. **“Shares”** means equity shares of the Company of face value of **Rs. 10 (Ten)** each fully paid- up including the equity shares arising out of the Exercise of Options granted under ESOP 2024.
- xxxvii. **“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.
- xxxviii. **“Subsidiary Company”** shall have the meaning ascribed to such term under the Companies Act.
- xxxix. **“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.
- xl. **“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.
- xli. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2024.
- xlii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xliii. **“Vesting Period”** means the period during which the Vesting of the Option Granted to the Employee, in pursuance of the ESOP 2024 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; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) Words 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, SEBI LODR Regulations 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 December 13, 2023 approved the Plan authorizing the Board/ Committee to grant **3,82,60,856 (Three Crores Eighty Two Lakhs Sixty Thousand Eight Hundred Fifty Six)** Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than equivalent number of Shares, with each such Option 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** If an Option expires, lapses, or becomes un-exercisable due to any reason it shall be added to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants under this Plan, subject to compliance with all Applicable Law.
- 3.3** Subject to Applicable Law, the maximum number of Options that may be granted under ESOP 2024 to an individual Employee in any financial year and in aggregate shall not exceed half of the total Options reserved under the Plan, subject to lower individual ceiling as may be prescribed and determined, from time to time as per the Compensation Policy of the Company.

Until the Shares of the Company are not Listed, the total number of Options Granted in a year shall not exceed 1% of the paid-up capital of the Company. The total number of ESOPs issued, Granted, Vested or outstanding at any point of time shall not exceed 5% of the paid-up share capital of the Company.

- 3.4** Where Shares are issued consequent upon Exercise of an Option under ESOP 2024, the maximum number of Shares that can be issued under ESOP 2024 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares so issued.
- 3.5** 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 2024 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. 10 and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2024 would be (Shares reserved at Sub-Clause 3.1x2) of Rs. 5 each. Similarly, in case of bonus issue, etc. the available number of Shares under Plan shall be revised to restore the value.

### **4. Administration**

- 4.1** The Plan shall be administered by the Committee. All the functions relating to administration and superintendence of this ESOP 2024 shall stand possessed with the Committee in which case the rights, powers, duties or liabilities of the Board to

the extent delegated along with that contemplated under Applicable Law and the Company's Compensation Policy shall be discharged by the Committee. All questions of interpretation of the ESOP 2024 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 2024 or in any Option issued thereunder.

**4.2** The Committee shall in accordance with this ESOP 2024 and Applicable Law determine the following:

- a) The quantum of the Options to be Granted under the ESOP 2024 per Employee and in aggregate, subject to the ceiling as specified in Para 3.1 under the Plan;
- b) the Eligibility Criteria for Grant of Option to the Employees;
- c) The conditions under which the Options may Vest in the Employees and may lapse in case of termination of employment, including for misconduct;
- d) 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;
- e) the specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee;
- f) 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;
- g) the procedure for making a fair and reasonable adjustment to the entitlement, including adjustment to the number of Options 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, the following shall *inter alia*, be taken into consideration by the Committee:
  - i. the number and the price of Options shall be adjusted in a manner such that total value of the Options to the Employee remains the same after the 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.
- h) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
- i) the procedure for funding the Exercise of Option, if required;
- j) the procedure for buy-back of specific securities issued under the SEBI SBEB & SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - a. permissible sources of financing for buy-back;

- b. any minimum financial thresholds to be maintained by the company as per its last financial statements; and
- c. limits upon quantum of specified securities that the company may buy-back in a financial year;

Explanation - Specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

- k) approve forms, writings and/or agreements for use in pursuance of the ESOP 2024.

**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.

## **5. Eligibility and Applicability**

**5.1** Only Employees are eligible for being Granted Options under ESOP 2024. The specific Employees to whom Options would be Granted and their Eligibility Criteria shall be determined by the Committee from time to time at its sole discretion.

**5.2** The Plan shall be applicable to the Company and any successor company thereof and Options may be granted to the Employees of the Company, 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) Grants contemplated under the Plan shall be made on such date and in such manner as determined by the Committee from time to time.
- 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 Law.

### **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 (sixty) 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 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 Options granted under ESOP 2024 shall Vest not earlier than minimum period of **1 (One)** year and not later than maximum period of **10 (Ten)** years from the date of Grant.

**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 the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause.

**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 Options shall Vest on the date of death or Permanent Incapacity.

- 7.2 Vesting of Option would be subject to continued employment with the Company subject to the condition that the Option Grantee is not serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on 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.
- 7.3 The exact 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.

Vesting in case of Option Grantees whose remuneration and Options entitlement are regulated under relevant Applicable Law, shall be subject to additional conditions as to reduction/ clawback of Vesting in line with deterioration in financial performance of the Company, as specified in the grant letter.

- 7.4 For an Employee continuing in service of the Company, his / her Options can be Exercised as per the terms contained in the Plan. It is clarified that the Options can continue to Vest and can be Exercised even if there is a movement from an employment role to a Director role, which falls within the ambit of Employee, and the same shall not be considered as a break in service for the purposes of this Plan and in such a situation, reference to “employment” in any other clause in the Plan shall be construed as “association” as required.

## 7.5 **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

- a) The Exercise Price per Option shall be such as determined by the Committee which shall not be lesser than the face value of a Share at the time of Grant, in accordance with the Applicable Laws. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.
- b) Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Company or in such other manner as the Committee may decide from time to time.

### 8.2 Exercise Period

#### a) Exercise while in employment/ service

The Exercise Period in respect of a Vested Option shall be maximum of **10 (Ten)** years from the date of Grant of such Option. The specific Exercise Period shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.

Post IPO, the maximum period of 10 years, as mentioned above, shall be read as upto 4 (four) years from the date of each Vesting.

#### b) Exercise in case of separation from employment/ service

Exercisability of the Options shall be governed as under:

Sr. No.	Events of Separation	Vested Options	Unvested Options
1	<b>Resignation or termination (other than due to Cause)</b>	Subject to the maximum Exercise Period specified in the Plan, all the Vested Options as on the date of submission of resignation/ date of termination shall be exercisable by the Option Grantee within a period of <b>3 (Three) months</b> from the last working date.	All the Unvested Options as on date of submission of resignation/ date of termination shall stand <b>cancelled</b> with effect from date such resignation or termination.

Sr. No.	Events of Separation	Vested Options	Unvested Options
2	<b>Termination due to Cause</b>	All the Vested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.
3	<b>Retirement</b>	<p>Subject to the maximum Exercise Period specified in the Plan, all the Vested Options as on the date of retirement shall be exercised by the Option Grantee within a period of <b>10 (Ten) years</b> from the date of grant of Options.</p> <p>Post IPO, the maximum period of 10 (ten) years, as mentioned above, shall be read as upto 4 (four) years from the date of each Vesting.</p>	<p>All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies, if any, and provisions of the then prevailing Applicable Law.</p> <p>Such aforesaid Vested Options can be exercised within a period of <b>10 (Ten) years</b> from the date of grant of Options.</p> <p>Post IPO, the maximum period of 10 (ten) years, as mentioned above, shall be read as 'upto 4 (four) years from the date of each vesting'.</p>

Sr. No.	Events of Separation	Vested Options	Unvested Options
4	<b>Death</b>	<p>Prior to IPO, all Vested Options as on date of death of Option Grantee shall be settled in cash by the Company, being payable to his/her nominee or legal heir within the time period specified for full and final settlement of all dues to the deceased Option Grantee.</p> <p>The cash consideration shall be equal to excess of Fair Market Value prevailing as on date of death of such Option Grantee over the Exercise Price.</p> <p>Post IPO, the Options shall Vest immediately in the legal heirs or nominees of the deceased Employees, as the case may be. It is hereby clarified that after IPO, the minimum period of 1 (one) year as regards Vesting will not apply in case of death of the Option Grantee, and all the Options Granted shall Vest forthwith on occurrence of such event and shall be Exercisable upto 4 (four) years from the date of each Vesting.</p>	<p>Prior to IPO, all the Unvested Options as on date of death of the Option Grantee shall vest immediately and would be entitled for cash settlement within such period as determined by the Committee.</p> <p>The cash consideration shall be equal to excess of Fair Market Value prevailing as on date of settlement of such Options over the Exercise Price.</p> <p>Post IPO, the Unvested Options shall Vest immediately.</p>
5	<b>Permanent Incapacity</b>	Prior to IPO, all Vested Options as on	Prior to IPO, all the Unvested

Sr. No.	Events of Separation	Vested Options	Unvested Options
		<p>date of incurring Permanent Incapacity shall be settled in cash by the Company, being payable within the time period specified for full and final settlement of all dues to the Option Grantee.</p> <p>The cash consideration shall be equal to excess of Fair Market Value prevailing as on date of Permanent Incapacity of such Option Grantee over the Exercise Price.</p> <p>Post IPO, the Option shall Vest immediately. It is hereby clarified that after IPO, the minimum period of 1 (one) year as regards Vesting will not apply in case of Permanent Incapacity of the Option Grantee, and all the Options Granted shall Vest forthwith on occurrence of such event and shall be Exercisable upto 4 (four) years from the date of each Vesting.</p>	<p>Options as on date of incurring Permanent Incapacity shall Vest immediately and would be entitled for cash settlement within such period as determined by the Committee.</p> <p>The cash consideration shall be equal to excess of Fair Market Value prevailing as on date of settlement of such Options over the Exercise Price.</p> <p>Post IPO, the Unvested Options shall Vest immediately.</p>
6	<b>Termination due to reasons apart from those mentioned above</b>	The Committee shall decide whether the Vested Options as on date of such termination can be	All Unvested Options on the date of such termination shall stand cancelled



Sr. No.	Events of Separation	Vested Options	Unvested Options
		Exercised by the Option Grantee or not (including lapsing of Options), and such decision shall be final.	unless otherwise required by Applicable Law.
7	<b>Transfer/ depute to Associate, Holding, Subsidiary or Group Company</b>	Subject to the maximum Exercise Period specified in the Plan, all the Vested Options as on the date of such transfer/depute shall be exercisable by the Option Grantee within a period of 10 (Ten) years from the date of Grant of Options.	The Committee shall decide whether the Unvested Options as on date of such transfer/deputation to Associate Company, Holding Company, Subsidiary Company or Group Company would continue to Vest in accordance with the applicable Vesting schedule.

**8.3** The Options shall be deemed to have been Exercised when an Option Grantee 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 Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise including satisfaction of taxes in connection with Exercise.

**8.4** The Options not Exercised within the Exercise Period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

**8.5 Lapse of Options**

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

**8.6 In case of Initial Public Offer**

a) Notwithstanding anything contained elsewhere in this Plan, in case Company proposes for Initial Public Offering of its Shares, the Board or Committee shall have right to amend any or all provisions of this Plan with a view to comply with the provisions of the then prevailing Applicable Law.

- b) However, the Vesting and Exercise of Options shall be carried out as originally intended with the only substitution of mode of monetization of Shares on the recognized Stock Exchange(s) or other permitted modes for disposal of Shares post Initial Public Offer and Listing of Shares of the Company as per prevailing market conditions instead of adherence to provisions of other Sub-clauses of Clause 8 of the Plan.

## **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 2024.

**Provided that** the Shares allotted on Exercise cannot be sold for such further period or intermittently as required under Applicable Law in case of an Initial Public Offering of Shares of the Company.

## **10. Restriction on transfer of Options**

- 10.1** The Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 10.2** Options shall not be transferable to any person except in the event of death or Permanent Incapacity of the Option Grantee (where required, when the Option Grantee is not able Exercise the Options on their own), in which case provisions at Sub-clause 8.2(b) would apply.
- 10.3** 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 or Permanent Incapacity of the Option Grantee (where required, when the Option Grantee is not able Exercise the Options on their own), in which case provisions at Sub-clause 8.2(b) would apply.

## **11. Rights as a shareholder**

- 11.1** 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 held.
- 11.2** 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 holder of the Shares of the Company, in which case, the Option Grantee shall only have such rights as available to an ordinary shareholder under Applicable Law.
- 11.3** 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 4.2 (g) of ESOP 2024.

## **12. Rights on allotted Shares**

- 12.1** The Option Grantee shall have rights attached with the Shares allotted pursuant to

the Exercise of Vested Options, including following:

- i. Right to vote at the shareholders meetings;
- ii. Right to attend shareholders meetings; and
- iii. Right to seek financial information that is publicly available.

**12.2** The right to dividend, right to bonus shares, right to participate in the rights issue and other monetary benefits underlying the Shares shall remain unfettered.

### **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 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 shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under Applicable Law. 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 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 Applicable Law, the Shareholders Agreement, and approval of the shareholders of the Company by way of a special resolution, Committee may revise any of the terms and conditions in respect of existing or any new Grant of Options provided that the variation is not prejudicial to the interest of the Employees. Provided further that, post the IPO, the Committee may revise any of the terms and conditions of the Plan to meet any regulatory requirement without seeking shareholders' approval.

**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 2024 shall be subject to all Applicable Law, and approvals from government authorities. The Grant and the allotment of Shares under this ESOP 2024 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 Law, 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 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 2024 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 and Disclosures**

- 16.1** The Company shall follow the laws/regulations applicable to accounting related to Options, including but not limited to the IND AS/Guidance Note on Accounting for Employee Share-based Payments (Guidance Note) and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including any 'Guidance Note on Accounting for employee share-based payments' issued in that regard from time to time and/or in accordance with the International Financial Reporting Standard (as applicable) and comply with the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB & SE Regulations.
- 16.2** Where the existing Guidance Note or accounting standard do not prescribe accounting treatment or disclosure requirements for any of the plans covered under these regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI or any other statutory authority from time to time.
- 16.3** The Company shall make all the relevant disclosures in the Director's Report in relation to Plan as are required under the Applicable Laws. Post IPO, the Company will also make the necessary disclosures under the SEBI SBEB & SE Regulations at the time of Grant, including as provided in Part G of Schedule I of the SEBI SBEB & SE Regulations.

**17. Certificate from secretarial auditors**

Upon applicability of SEBI SBEB & SE Regulations, the Committee shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the ESOP 2024 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. No restriction on corporate actions**

**18.1** 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 authorise 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 and/ or Grant made thereunder.

**18.2** Nothing contained in the Plan shall be construed to prevent the Company from implementing any other new plan, in accordance with Applicable Laws, for Granting Options (by way of employee stock options) 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 on the Plan and/ or Grant made thereunder.

**19. Governing Laws**

**19.1** The terms and conditions of ESOP 2024 shall be governed by and construed in accordance with Applicable Law including the Foreign Exchange Laws mentioned below.

**19.2 Foreign Exchange Laws**

In case any Options 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 Options and issue of Shares thereof.

**20. Notices**

**20.1** All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2024 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.

**20.2** All notices of communication to be given to the Company in respect of ESOP 2024 shall be sent to the address mentioned below:

(a) **By an Option Grantee (other than MD & CEO)**

The MD & CEO

Niva Bupa Health Insurance Company Limited Registered Office: C-98, 1<sup>st</sup> Floor, Lajpat Nagar 1, Delhi- 110024.

**Or E-mail:** at the official email address as available on the Company's portal.

(b) **By MD & CEO being an Option Grantee**

Chairman of the Board or Chairman of the Board

Registered Office: C-98, 1<sup>st</sup> floor, Lajpat Nagar 1, Delhi-110024.

**Or E-mail:** at the official email address as available on the Company's portal.

**21. Nomination**

The Employee has to nominate a person as his/her nominee. 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.

**22. Jurisdiction**

**22.1** Subject to Clause 23, the Courts in New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2024.

**22.2** Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2024:

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

**23. Arbitration**

**23.1** The terms and conditions of this ESOP 2024 shall be governed by Applicable Laws and any dispute arising out of the terms of this ESOP 2024 shall be settled through arbitration:

- (i) The arbitration shall be in accordance with the Arbitration and Conciliation Act, 1996 (the “**Arbitration Act**”), in force at the relevant time (which is deemed to be incorporated into this Agreement by reference);
  - (ii) All proceedings of the arbitration shall be in the English language. The venue of arbitration shall be Delhi;
  - (iii) All proceedings shall be conducted before a single arbitrator mutually agreed upon by the parties. To the extent the parties are unable to agree on a single arbitrator within 15 (fifteen) business days following submission of the dispute, then the Arbitrator shall be appointed as per the provisions of the Arbitration Act;
  - (iv) Arbitration awards rendered shall be final, binding and shall not be subject to any form of appeal; and
  - (v) The costs of the arbitration shall be borne by the parties to the dispute in such manner as the arbitrator shall direct in their arbitral award.
- 23.2** Nothing shall preclude a party from seeking interim equitable or injunctive relief, or both, from any court having jurisdiction to grant the same. The pursuit of equitable or injunctive relief shall not be a waiver of the duty of the parties to pursue any remedy for monetary losses through the arbitration described in this Clause.

#### **24. Malus/ Clawback**

- 24.1** Notwithstanding anything contained elsewhere in this Plan, the Company reserves the right of executing malus/ clawback arrangements in respect of Options already granted, vested or exercised, as the case may be. Options granted under the Plan are always subject to malus and clawback as may be exercised by the Company in the circumstances specified in the Compensation Policy (duly approved by the Board) and Guidelines issued by the Insurance Regulatory and Development Authority of India.
- 24.2** A malus arrangement permits the Company to prevent Vesting of all or part of the Options granted to an Option Grantee. However, the malus arrangement shall not reverse the Vesting of already Vested Options.
- 24.3** A clawback, on the other hand, is a contractual agreement between the Option Grantee and the Company, being evidenced on the acceptance of the Grant, in which case the Option Grantee shall relinquish any benefit that accrued to or return any benefit that is received by such Option Grantee to the Company under circumstances specified at the time of Grant of Options.

#### **25. Severability**

In the event any one or more of the provisions contained in this ESOP 2024 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 2024, but ESOP 2024 shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOP 2024 shall

be carried out as nearly as possible according to its original intent and terms.

**26. Confidentiality**

- 26.1** An Option Grantee must keep the details of the ESOP 2024 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.
- 26.2** 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 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.

----- End of Plan -----