Fitness & Weight Management Program

The Fitness and Weight Management Program Guidelines are designed to help U.S. employees in their pursuit of good health and well-being.

Only weekly/monthly membership fees when you join and regularly attend an approved fitness center, and/or an approved weekly/monthly weight management program will be approved for reimbursement.

Please note that this guideline is not a guarantee of benefits nor of continued employment. The Company reserves the right to amend, modify, suspend or terminate this program, in whole or in part, at any time.

Who may request reimbursement & what programs can be reimbursed

The Guidelines are applicable to all regular full-time U.S. employees. Please refer to eligibility section for more details.

To be eligible for reimbursement under the U.S. Fitness/Weight Management Program, the program must be:

An approved fitness center. This is a qualified, full-service health and fitness club or center designed for health and fitness activity with cardiovascular and strength-training equipment and facilities for exercising and improving physical fitness. Employees must provide proof that they have attended the approved fitness facility at least 24 times in that quarter to qualify for reimbursement.

An approved weight management program. This is a formal in-person weight management program provided by a nationally or regionally recognized provider such as Weight Watchers, Jenny Craig, and other formally recognized weight management programs such as a weight management program through an area hospital. Employees must provide proof that they have attended the weight management program at least 10 times in that quarter to qualify for reimbursement.

Programs not eligible for reimbursement under the U.S. Fitness/Weight Management Program, the program are:

- Activity fees, such as tennis court fees, bowling lane charges, fishing licenses, golfing greens fees, boating slip fees
- A series of instructor-led, group or individual exercise or training classes (Examples: Yoga, Pilates, Cross fit, karate, dance, outdoor or “Boot Camp” program, personal trainer, spinning and similar activities)
- One-time event entry fees (entry fees for races for running, biking, walking or other, sporting event tickets) and fitness pass books (tickets to multiple fitness facilities in a geographic area)
- Initiation fees, start-up fees, enrollment fees
- Club dues (golf, tennis, wrestling, swimming) and Sports Leagues
- Gym equipment, gym clothing
- Internet based fitness program and fitness video games/systems/apps
- Online and at home programs such as Weight Watchers Online and Weight Watchers At Home Program do not qualify.
- Fees for individual nutrition counseling sessions, food, books, videos, scales, or other items do not qualify for the reimbursement.
- Programs/classes held in a residential noncommercial setting.
- Any membership and/or activity paid for spouse, domestic partner or child(ren)/dependents
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Who is eligible to participate in the program

To be eligible to participate in the U.S. Fitness/Weight Management Program, the employee must:

• Be a regular full-time employee (working 30 hours or more per week).
• Ensure the fitness center/weight management program is an approved center for reimbursement under this program.
• Be actively employed by the Company when reimbursements are paid out.

Individuals not eligible to participate in the program are:

• Part-Time employees (working less than 30 hours per week).
• Temporary workers.
• Summer hires, Interns, or Fellows.
• Unable to work due to illness or injury, disability, labor dispute, medical or personal leave of absence, and/or military leave of absence if the employee is not actively at work at the time of the payout. Employees returning to active service after an approved leave of absence may apply for reimbursement as long as they are within the window for reimbursement for that quarter and have satisfied the membership attendance requirements for that quarter.
• Terminated employees.
• Employees who work in a location that has an existing in-house or Company-funded fitness facility do not qualify for this program. A work location that has a room with fitness equipment and no staff is not considered an on-site fitness facility, and eligible employees at such locations would qualify for this reimbursement.

How to Apply for Reimbursement

You will have to initiate the reimbursement process by logging into the program web site at www.fitbucksrewards.com/drreddys and creating an account. Please note that to set up an account, you will need your employee ID. If you do not know your employee ID, you may contact local HR.

On this site, you can submit an application for reimbursement for the cost of a Fitness Center Membership and/or Weight Management Program. You will need to submit both an application for reimbursement along with proof of attendance, payment and cost of monthly/weekly dues. Reimbursements must be requested by no later than the 30th day following the end of each calendar year quarter (for example, Q2: July 30th). Eligible amounts paid for membership at an approved fitness facility and/or weight management program of the employees’ choice will be reimbursed up to a combined maximum of $75 per quarter. Reimbursements will be paid out of the Dr. Reddy’s payroll and will be subject to local, state and federal taxes and any applicable deductions.

Conditions for Reimbursement:

• For Fitness Reimbursement: You must provide proof that you have attended the approved fitness facility at least 24 times in that quarter to qualify for reimbursement. If you change fitness facilities during the quarter, you must have a combined total of 24 visits (rather than 24 visits at one facility). Acceptable proof will be determined by the Company’s designated administrator.
For Weight Management Reimbursement: You must provide proof that you have attended the weight management program at least 10 times in that quarter to qualify for reimbursement. If you change weight management programs during the quarter, you must have attended a combined total of 10 sessions (rather than 10 sessions with one program) to be eligible for reimbursement. Acceptable proof will be determined by the Company’s designated administrator.

The established attendance requirements for each quarter are firm and will not be prorated. For those who are traveling (business and/or pleasure), please contact Company program administrator for information on receiving credit for using the hotel/cruise ship fitness facility. Limitations will apply and documentation will be required.

Applications for reimbursement must provide documentation that verifies the amount paid toward membership. Reimbursements will not be processed without valid proof of payment and attendance. Spouses/domestic partners and family members are not eligible for this program. Only the employee portion of the monthly membership fee may be considered for reimbursement. If you submit receipts for anything other than your single membership, such as a dual or family membership, please provide a per person amount.

You must be actively employed at the time of payout for each quarter to be eligible for reimbursement. Payroll will not issue reimbursement payments to terminated employees.

Memberships must meet the Reimbursement Program qualifiers listed in this document.

Additional provisions:

- The reimbursement will be paid through payroll as soon as administratively possible after the quarterly submission period of 30-days has closed.
- Reimbursements will be paid out of the Dr. Reddy’s payroll and will be subject to local, state and federal taxes and any applicable deductions.

Approval Process for reimbursement

Employee requests for reimbursement will be reviewed by the Company’s designated program administrator. Applications for reimbursement will be checked to make sure the employee has satisfied the attendance requirement and provided adequate proof of payment and cost of the membership fees and that the fees to be reimbursed are eligible for reimbursement under the program.

Attendance, cost and payment information are subject to periodic audits and audits where information is unclear or appears questionable as determined by the Company’s designated administrator.

Falsification of information in order to receive reimbursement is strictly prohibited. Those who participate in the falsification of information and/or submitting false information for reimbursement are subject to disciplinary action up to and possibly including termination of employment.
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**Participating in this Program**

It is recommended that all employees discuss with their doctor/health care provider before beginning any fitness/weight management activities. While Dr. Reddy's supports and promotes the fitness and well-being of its employees, any fitness/weight management activity undertaken by an employee is voluntary and considered a non-work activity.

**Provisions of Separation**

- If you are a receiving severance pay, you are eligible for reimbursement only if you were participating in the program while an active employee and received reimbursement for the previous quarter. You must satisfy the attendance requirement in full to qualify for reimbursement for the quarter in which your employment is terminated.
- If your employment has been terminated for reasons other than for cause*, you are eligible for reimbursement only if you were participating in the program while an active employee and received reimbursement for the previous quarter. You must satisfy the attendance requirement in full to qualify for reimbursement for the quarter in which your employment is terminated.
- If you have given notice of termination of employment and/or terminated employment before the reimbursement is paid, you are not eligible for reimbursement even though your initial request may have been approved.

*Termination for Cause: Examples of termination for cause include but not be limited to substantial failure or refusal to perform duties and responsibilities of your job, dishonesty, theft, violation of company rules or policy, etc. The Vice President, Human Resources North America, has the sole and absolute discretion to determine whether Cause exists.

**Examples**

**Individual Fitness Club Membership Example**

Jennifer has an individual membership at a local gym. She pays $20 per month. When Jennifer submits for reimbursement for that quarter, she will submit a computer printout with her attendance and receipts showing payment for her monthly fees for her individual membership. Jennifer will be reimbursed $60 (Calculation: 20.00 x 3 months = $60.00.)

**Individual Membership at Fitness Club and Weight Management Program Example**

Joanne has an individual membership at a local gym. She pays $20 per month. Joanne also purchased a monthly pass for $45.00 at Weight Watchers.

When Joanne submits for reimbursement for that quarter, she will submit a computer printout with her proof of attendance at the gym and at Weight Watchers. She will also submit receipts showing payment for her monthly fees for her individual membership. Joanne will be reimbursed $75.00 (Calculation: $20 x 3 months = $60 for gym membership; $45 x 3 months = $135.00 for Weight Watchers. This amount is above the quarterly cap, therefore, Joanne will be subject to the $75.00 cap.)

**Family Membership Example**

James has a family membership for himself, his spouse and his children for the fitness center at his local YMCA. The family membership is $89 per month. At the YMCA, the individual membership is $29 per month. When James submits for reimbursement for that quarter, he will submit the information on the membership fees, a computer printout with his attendance, and receipts showing payment for his monthly fees. The Company plan administrator will consider James as having paid $29 for his portion of the monthly membership fees. Therefore, he will be eligible for reimbursement of $75.00 (Calculation: 29.00 x 3 months = $87.00. This amount is above the quarterly cap, therefore, James will be subject to the $75.00 cap.)
**Administration of the program**

Human Resources will be responsible for the implementation, audit, and governance of this guidelines. The VP Human Resources, NA will ensure these guidelines are implemented fairly and in consideration of all applicable employment laws and regulations, including but not limited to laws of discrimination and in consideration of fair employee relations practices.

Any questions should be addressed through Human Resources. You are strongly encouraged to ask questions in advance of applying for reimbursement to avoid any confusion concerning their program’s eligibility of reimbursement.

**Disclaimer**

We urge all employees who wish to participate in this program to seek medical / professional advice before beginning any exercise, training regime, weight loss program, and/or any diet. Dr. Reddy's does not assume any liability or responsibility for any contracts and or agreements you may enter into with any fitness/weight loss centers. It is your responsibility to pay, cancel, freeze, and renew any contracts and or agreements you may have with these fitness/weight loss centers. Please note that fitness, wellness and weight loss related activities reimbursed through this program is completely voluntary and is not work related. Dr. Reddy’s assumes no liability or responsibility for any injury, illness or death that may result from your activities reimbursed through this program.