

**EPACK Durable Limited**  
**EPACK Employee Stock Option Scheme 2023**

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## **NAME OF THE SCHEME**

This Scheme shall be termed as EPACK Employee Stock Option Scheme 2023 (“**Scheme**”). The Scheme has been approved by a resolution passed on July 29, 2023 at the General Meeting of the Shareholders. The Scheme shall be effective from July 29, 2023 herein after referred to as the “Effective Date”.

This document sets out the terms and conditions of the Scheme under which the Options are being granted and Shares are being allotted to the Employees.

### **1 Purpose of the Scheme**

EPACK Durable Limited (“**Company**” or “**EPACK**”), a company incorporated under the Companies Act, 2013, and having its registered office at 61-B, Udyog Vihar, Surajpur, Kasna Road, Greater Noida, Gautam Buddha Nagar, Uttar Pradesh – 201306, has structured this Scheme for its Employees. The purpose of this Scheme is as under:

- a) to create sense of ownership among employees and incentivise long term focus;
- b) to motivate and retain the best talent within the organization; and
- c) to reward key employees for performance.

The purpose is sought to be achieved through the Grant of Options to the Employees which will provide them a right to acquire Shares of the Company upon satisfying the vesting conditions and in accordance with the Scheme and accompanying Grant Letter.

### **2 Definitions**

- 2.1 “Acceptance Form” shall mean the form that the Grantee must submit indicating his acceptance of the terms and conditions of the Scheme and Grant Letter.
- 2.2 “Applicable Laws” means to the extent applicable, any statute, law, bye-law, regulation, enactments, acts of legislature or parliament laws, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, code, notices, directions, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority including, without limitation, the Companies Act 2013, Companies (Share Capital and Debentures) Rules, 2014, the Income-tax Act, 1961 and all other relevant SEBI laws, including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, any regulations issued by the recognised stock exchange on which the Shares of the Company shall be listed or quoted (as maybe applicable), whether in effect as of the date of this Scheme or thereafter and in each case as amended.
- 2.3 “Aggregate Exercise Price” shall mean the Exercise Price and any other sums due to the Company by the Participant as per Clause 10 of the Scheme in respect of Exercise of the Options.
- 2.4 “Bad Leaver” means an Employee who is a Leaver as a result of: (a) dismissal for Cause; or (b) voluntary termination of employment or resignation from employment other than as set out in the definition of Good Leaver.

“Beneficiary” or “Nominee” means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will or probate of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.

2.5 “Board” means the Board of Directors of the Company.

2.6 “Cause” means:

- a) act of dishonesty, fraud, material misrepresentation, or engagement in gross misconduct, negligence or gross negligence, committed by an employee; or
- b) repetition or continuance of any breach or act of committing breach of an employee's obligations under an employment agreement executed between the employee and the Company or under any applicable policies of the Company; or
- c) such misconduct outside work or otherwise falls into such disrepute that in the reasonable opinion of the Board, the employee's continued employment will or would reasonably be expected to bring the Company, its subsidiary or associates into disrepute or materially prejudice interest of the Company; or
- d) conviction of, pleading guilty or *nolo contendere* with respect to any criminal offence (barring minor traffic offences not involving a custodial sentence); or
- e) an order made by a court of competent jurisdiction disqualifying him/her from acting as an employee of the Company; or
- f) misrepresentation with respect to details relating to educational qualifications, prior work experience, prior reputation in relation to his earlier employment and information in relation to any criminal proceedings;
- g) any misfeasance or other act or omission which is detrimental to the businesses or reputation of the Company, its subsidiary or associates; or
- h) absconding or long leave which are not sanctioned; or
- i) habitual influence of drugs or alcohol during the performance of his/her services or, while under the influence of such drugs or alcohol, engages in inappropriate conduct that directly or indirectly causes or would reasonably be expected to cause, material harm to the Company, its subsidiary or associates.

2.7 “Clause” means a clause in this Scheme.

2.8 “Closing Date” means the last date on which the offer of Options granted by the Company to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day.



- 2.9 “Company” shall mean EPACK Durable Limited, a company incorporated under the Companies Act, 2013 and having its registered office at 61B, Udyog Vihar, Surajpur, Kasna Road, Greater Noida, Gautam Budh Nagar - Uttar Pradesh -201 306.
- 2.10 “Committee” means committee as created by the Board for administration and superintendence of the Scheme and consists of such members of Board as provided under regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2.11 “Control” shall have the same meaning as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
- 2.12 “Corporate Action” shall have the same meaning as understood under the Applicable Laws.
- 2.13 “Director” means a director appointed on the Board of the Company.
- 2.14 “Eligible Employee” for the purpose of this Scheme means an Employee(s) identified as per Clause 3 below.
- 2.15 “Employee” means (a) an employee as designated by the Company who is exclusively working in India or out of India; or (b) a Director of the Company, whether a whole time Director or not, including a non executive Director who is not a Promoter or a member of the Promoter Group, but excluding an Independent Director or (c) an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or associate of the Company, in India or outside India, or of a holding company of the Company, but does not include:
- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
  - (ii) a Director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than five percent of the outstanding equity Shares of the Company; or
  - (iii) a nominee director in the Company.
- 2.16 “Exercise” means making of an application by the Participant to the Company for issue of Shares against Vested Options to him/her in pursuance of the Scheme on payment of Exercise Price.
- 2.17 “Exercise Date” means the date on which the Participant Exercises his right to apply for Shares against the Vested Options and in case of partial Exercise, shall mean each date on which the Participant/ Beneficiary exercises his right to apply for part of his Vested Options.
- 2.18 “Exercise Period” means subject to Clause 11, a period of 4 years from the date of final vesting of Options, unless the Committee decides otherwise, within which a Participant should exercise his right to apply for shares against the Vested Option in pursuance of the Scheme.
- 2.19 “Exercise Price” means the price, if any, payable by the Participant for exercising the Option granted to him in pursuance of the Scheme and mentioned in the Grant Letter.
- 2.20 “General Meeting” means a meeting (including an extraordinary general meeting or resolution

through postal ballot) of the Shareholders held in accordance with the Articles of Association of the Company and the Applicable Laws.

- 2.21 “Good Leaver” means an Employee who is a Leaver as a result of: (a) retirement at retirement age under terms of employment; (b) death; (c) permanent ill-health or permanent incapacity preventing continued employment, as determined by the Board in accordance with this Scheme; (d) redundancy; or (e) separation other than for Cause as may be determined by the Board, provided that an Employee who is a Good Leaver at his cessation date may be characterised as a Bad Leaver, if the Employee breaches the terms of any confidentiality or non-compete, non-solicit, non-disparagement provisions of his employment contract or any other agreement between him and the Company (or its subsidiary or associates) from time to time.
- 2.22 “Grant” means the process by which the Company issues Options to its Employees under the Scheme.
- 2.23 “Grant Date” means the date on which the Committee approves the Grant or such later date as may be determined by the Committee.
- 2.24 “Grant Letter” means the letter by which Grant of Options is communicated to the Grantee.
- 2.25 “Grantee” means an Eligible Employee pursuant to Clause 3 below, at the time of Grant of the Option to be eligible to participate under the Scheme.
- 2.26 “Group” means Subsidiary and any associate of the Company.
- 2.27 “Independent Director” shall have the same meaning as defined under Applicable Laws.
- 2.28 “Leaver” means an Employee who has ceased to be employed by the Company.
- 2.29 “Long Leave” means a sanctioned leave in excess of 60 days without break.
- 2.30 “Market Price” means the fair market value (or FMV) on the relevant date of determination, which will be (a) if the Shares of the Company are listed on any recognized stock exchange(s) in India, the latest available closing price of the Share prior to such date, (b) if the shares are listed on more than one recognized stock exchange(s) in India, the latest available closing price of the share prior to such date on the stock exchange(s) where there is highest trading volumes on the said date and (c) if shares are not listed, the value calculated in accordance with Indian Accounting Standards (Ind AS) and valuation principles as may be applicable in India and shall be determined by the Board/Committee on the basis of the valuation report submitted by an independent external valuer of repute on the latest financial statements not older than 6 months prior to the date of determination. The FMV shall be determined using consistent methodology throughout the tenure of the Scheme. The value which Board/Committee accepts as the FMV in accordance with the foregoing norms shall be final and binding on all parties.
- 2.31 “Option” means the option given to an Employee, which gives him a right but not an obligation, to purchase or subscribe the Shares at a future date, directly or indirectly, at a pre-determined Exercise Price in accordance with the Scheme.

- 2.32 “Participant” means a Grantee who accepts the Grant from the Company to participate in this Scheme pursuant to Clause 7 below.
- 2.33 “Scheme” shall mean the EPACK Employee Stock Option Scheme 2023 under which the Company grants the Options to the Grantees, and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time.
- 2.34 “Promoter” shall have the same meaning assigned to it under the Applicable Laws.
- 2.35 “Promoter Group” shall have the same meaning assigned to it under the Applicable Laws.
- 2.36 “Relative” shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013.
- 2.37 “Relevant Date” means:
- i) In the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
  - ii) In the case of Exercise, the date on which the notice of Exercise is given to the Company by the Employee.
  - iii) In the case of determination of Market Price under this scheme, the date as decided by the Committee. The decision of the Committee shall be final.
- 2.38 “SEBI” means the Securities and Exchange Board of India.
- 2.39 “Share” means an equity shares of the Company, having a face value of ₹ 10.
- 2.40 “Shareholder” means the registered holder of a Share of the Company.
- 2.41 “Termination Date” means the date of termination of employment of the Participant with the Company, its subsidiary or associates.
- 2.42 “Unvested Option” means an Option, which is not a Vested Option.
- 2.43 “Vesting” means the process by which the Participant becomes entitled to receive the benefit of a Grant made to him under the Scheme.
- 2.44 “Vested Option” means an Option, which has vested in pursuance of Clause 8 below with the Participant and has thereby become exercisable.
- 2.45 “Vesting Date” means the date on and from which the Option Vests with the Participant and has thereby become exercisable under the Scheme.
- 2.46 “Vesting Period” means the period during which the vesting of Option granted to the Participant under the Scheme takes place.

**2.47 Construction**

- a) Clause reference is to the clauses of this Scheme.
- b) The headings/ sub-headings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
- c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f) Reference to any act, rule, statute or notification shall include any statutory modification, substitution, or re-enactment thereof.
- g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

**3 Eligibility**

- 3.1 The Committee will decide which of the Employees should be granted Options under the Scheme and accordingly, the Company would offer the Options to the identified Employees to the extent permissible under Applicable Laws.
- 3.2 In determining the eligibility of an Employee to receive an Option as well as in determining the number of Options to be granted to any Employee, the Committee shall formulate criteria for Grant of Options based on, but not limited to, one or more of the following:
  - a) Number of years of service of the Employee;
  - b) Grade/ level of the Employee or criticality of role/position;
  - c) Past-track record/present performance or future potential of the Employee;
  - d) Any other criteria as may be decided by the Board/Committee.
- 3.3 Based on the eligibility criteria as described in Clause 3.2 above, the Board/Committee will decide the Employees eligible for Grant of Options under the Scheme and accordingly, the Committee would offer the Options to the identified Employees under the Scheme.

**4 Administration of this Scheme**

- 4.1 This Scheme shall be administered by the Committee working under the powers delegated by the Board, and in accordance with the Applicable Laws. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The Committee in accordance with the Scheme shall, subject to Applicable Laws, *inter alia*, have powers to do the following:
  - i. To decide upon re-granting of Options which were lapsed, forfeited or surrendered

- under any provisions of the Scheme.
- ii. To decrease the quantum/pool of Options to be granted under Scheme.
  - iii. To decrease the quantum/pool of Shares to be issued under Scheme.
  - iv. To identify the Employees eligible to participate under the Scheme.
  - v. To finalize the eligibility criteria for Grant of Options.
  - vi. To determine the Employees eligible for Grant of Options.
  - vii. To decide upon Granting of Options to new joiners.
  - viii. To determine the Grant date
  - ix. To Grant Options to one or more Eligible Employees.
  - x. To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme.
  - xi. To determine the conditions under which the Options may vest in the Employees and may lapse in case of termination of employment for misconduct.
  - xii. To decide the Exercise Period within which Employees can Exercise the Option.
  - xiii. To decide the specified time period within which Employees can Exercise the Vested Options in the event of termination or resignation.
  - xiv. To determine the Grant, Vesting and Exercise of Options for Employees on long leave.
  - xv. To extend the period of acceptance of Grant.
  - xvi. To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme.
  - xvii. To determine the Vesting schedule for each Grantee.
  - xviii. To finalize the eligibility criteria for Vesting of Options.
  - xix. To determine the Employees eligible for Vesting of Options.
  - xx. To determine the method for exercising the Vested Options.
  - xxi. To determine the procedure for funding the Exercise of Options.
  - xxii. To determine the right of an Employee to Exercise all Vested Options at one time or at various points in time within the Exercise Period.
  - xxiii. To determine the Exercise Price of the Options to be Granted after giving due discount or charging such premium, if deems fit.
  - xxiv. To allot Shares to Grantees upon Exercise.
  - xxv. To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme.
  - xxvi. To decide upon the treatment of Vested and Unvested Options in the event of Corporate Actions taking into consideration the following:
    - a. the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;
    - b. the Vesting Period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been Granted such Options.
  - xxvii. To cancel all or any Granted Options in accordance with the Scheme.
  - xxviii. To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
  - xxix. To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.
  - xxx. To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the Employees.
  - xxxi. To determine the procedure for buy-back of Options Granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions

- including the permissible sources of financing for buy-back, any minimum financial thresholds to be maintained by the Company as per its last financial statements and the limits upon quantum of specified securities that the Company may buy-back in a financial year. For the purpose of this clause specified securities shall have the meaning ascribed to it under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- xxxii. To determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option Granted hereunder.
  - xxxiii. To approve forms or agreements for use under the Scheme.
  - xxxiv. To decide all other matters that must be determined in connection with an Option under the Scheme.
  - xxxv. To frame terms & conditions, prescribe forms, notices and issue circulars or orders in relation to the Scheme and may from time to time amend, recall or replace such terms & conditions, forms, notices, orders and circulars.
- 4.2 The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent it deems necessary or desirable and to resolve any difficulty in relation to implementation of the Scheme and take any action which they are entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Scheme. No member of the Committee may act upon matters under the Scheme specifically relating to such member.
- 4.3 Any decision of the Committee in the interpretation and administration of this Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant, Nominee and their beneficiaries and successors). The Company/ the Board/ the Committee shall not be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.

## **5 Share Pool**

- 5.1 Subject to Clause 17 of the Scheme, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Scheme shall not exceed 2% of the paid-up capital of the Company as on 31 March 2023 on fully diluted basis.
- 5.2 The Company reserves the right to increase or reduce such number of Options and resultant shares as it deems fit, subject to appropriate approvals under Applicable Laws.
- 5.3 Notwithstanding the foregoing provisions of Clause 5.1 and Clause 6 below, Shares with respect to which an Option is granted under the Scheme that remain unexercised at the expiration, forfeiture or other termination, such Option may be the subject of the Grant of further Options.
- 5.4 Notwithstanding the foregoing provisions of Clause 5.1, all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted. The Company may Grant such Options within the overall limit determined in accordance with the Scheme.

## **6 Grant of Options**

- 6.1 The Committee may offer the Options to a Grantee in accordance with the terms and conditions of the Scheme for the time being in force. The Committee will decide the number of Options to be granted to each Eligible Employee.
- 6.2 The approval of shareholders in a General Meeting by way of separate resolution shall be obtained by the Company in case of:
- a)* Grant of Options to identified Employees, during any one year, equal to or exceeding 0.50% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option; and
  - b)* Grant of Options to identified Employees of the subsidiary of the Company.
- 6.3 Subject to the overall limit prescribed in Clause 5.1 above, the Options may be granted in one or more tranches.
- 6.4 Each Option will entitle the Participant to one Share of the Company, which upon conversion to a Share shall rank pari-passu with other Shares of the Company.
- 6.5 The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant shall state the number of Options Granted, vesting conditions, the Exercise Price and the Closing Date of accepting the Grant as per the Scheme.
- 6.6 The Closing Date of accepting the offer shall be 30 days from the date of Grant or as specified in the Grant Letter.
- 6.7 An offer made under Clause 6.1 above is personal to the Grantee and cannot be transferred in any manner whatsoever.

## **7 Method of Acceptance**

- 7.1 The method of acceptance of the Grant made pursuant to Clause 6 above shall be determined in accordance with the Scheme.
- 7.2 Upon receipt of a duly completed Acceptance Form, as prescribed by the Board/ Committee, from the Grantee in respect of the Grant, the Grantee will become a Participant. The Board/ Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Grant.
- 7.3 Subject to the terms contained herein, the acceptance in accordance with this Clause of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 7.4 Any Grantee who fails to return the Acceptance Form on or before the Closing date shall, unless the Committee/ Board/ Company determines otherwise, be deemed to have rejected the Grant. Any Acceptance Form received after the Closing date shall not be valid.

## **8 Vesting of Options**

8.1 There shall be a minimum vesting period of one year.

8.2 Subject to Clause 11 below, the Unvested Options shall vest with the Participant over a period of 4 years from the date of grant as per the below schedule:

| <b>Time period</b>                           | <b>Options to be vested</b> |
|--|-----------------------------|
| At the end of 1 year from the date of Grant  | 25% of the Options granted  |
| At the end of 2 years from the date of Grant | 25% of the Options granted  |
| At the end of 3 years from the date of Grant | 25% of the Options granted  |
| At the end of 4 years from the date of Grant | 25% of the Options granted  |

8.3 Upon Vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Scheme.

8.4 Notwithstanding anything mentioned in the Scheme and subject to Clause 11.1 and 11.2 below, Options which are not Vested in accordance with the terms of 8.5 below or in accordance with the Scheme shall automatically lapse and the contract referred to in Clause 7.3 above shall automatically be terminated without surviving rights / liabilities for any party.

8.5 Subject to the Applicable Laws, and unless the Committee decides otherwise, no Options shall Vest in a Participant, if such Participant: (a) carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company; or (b) is a Bad Leaver; or (c) is a Good Leaver but: (A) he/she is in breach of his/her employment contract or Company's policies; or (B) he/she has subsequently become or been recharacterised as a Bad Leaver. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.

8.6 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend and right to vote, or in any manner enjoy the benefits as a shareholder of the Company in respect of the Options granted/ vested, till such time as the Shares are allotted pursuant to a valid Exercise of the Options in favor of such Participant or such person.

8.7 In the event that a Participant is transferred or deputed to a Group company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant Letter shall continue in case of such transferred or deputed Participant even after the transfer or deputation.

8.8 In case where Options are Granted by the Company in lieu of options held by an Employee under an employee stock option scheme in another company which has merged, demerged, arranged or amalgamated with the Company, the period during which the options granted by the transferor company were held by such employee shall be adjusted against the minimum Vesting Period.



## **9 Exercise Price**

- 9.1 The Exercise Price of the Vested Options shall be as stated in the Grant Letter. The Company while determining the Exercise Price shall confirm to the accounting policies specified in Applicable Laws.

## **10 Exercise of Options/ Allotment of Shares**

- 10.1 The Participant can Exercise the Vested Options within the Exercise Period. The Exercise shall be according to the terms and conditions as determined and set forth under the Scheme and the Grant Letter. Such Exercise may be of all Vested Options or part of the Vested Options, subject to Clause 10.3 and 10.4 below. The Vested Options can be Exercised either in full or in part for a minimum lot of 100 Shares and/or balance thereof.
- 10.2 No Vested Option shall be exercisable in its fractional form.
- Provided that, in the event of Exercise of Options resulting in fractional Equity Shares, the Committee shall be entitled to round off the number of Equity Shares to be issued to the nearest whole number, and the Exercise Price shall be accordingly adjusted. All Equity Shares issued and allotted consequent to Exercise of Options shall rank pari passu with the then existing Equity Shares.
- 10.3 Exercise of the Vested Options shall take place at the time and place designated by the the Committee and by executing such documents as may be required under the Applicable Laws or by the Committee to pass a valid title of the relevant Shares to the Participant/ Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 10.4 A Vested Option shall be deemed to be validly Exercised only when the Committee or any other person ratified by the Committee receives written and signed notice of Exercise ('Exercise form') from the Participant/ Beneficiary and a confirmation that the Aggregate Exercise Price (in accordance with the Scheme) as per Clause 10.6 has been received from the Participant/ Beneficiary, if applicable.
- 10.5 The Aggregate Exercise Price shall be paid in full to the Company adjusted upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
- i) cheque or demand draft issued in the name of the Company as the Committee may specify; or
  - ii) remittance directly from the Participant's bank to the bank account of the Company (wire transfer) as the Committee may specify; or
  - iii) recovery from the immediately succeeding salary payment of the Employee; or
  - iv) any combination of such methods of payment or any other method acceptable to the Board/ Committee at its sole discretion; or
  - v) any other mode to be prescribed by the Board/ Committee.
- 10.6 The Committee shall endeavor to ensure that the process of allotment of Shares to the Participant who has validly Exercised his Vested Options is completed within reasonable time from the time of receiving the Exercise form by the Committee.
- 10.7 Upon completion of a valid Exercise of Options as laid out above and upon receiving confirma-

tion/ direction from the Committee, the Company shall allot the Shares to the Participant/ Beneficiary/ Nominee.

- 10.8 At the time of allotment of Shares, pursuant to a valid Exercise, the Participant/ Nominee will be required to sign such papers as may be considered necessary by the Committee to lawfully execute/ enforce various provisions of the Scheme, including Clause 16 of this Scheme.
- 10.9 Only upon allotment of the Shares, the Participants/ Nominees shall become Shareholders. Subject to Clause 13 below, the Shares to be allotted shall rank *pari-passu* in all respects with the outstanding Shares of the Company.
- 10.10 Notwithstanding anything else contained in the Scheme, if the Participant/ Nominee does not Exercise his Vested Options within the time specified in Clause 10.1 and Clause 11 below, the Options (and amount paid by the Participant at the time of the Grant, if any) shall be forfeited and cancelled by the Company at the end of the aforesaid period and the contract referred to in Clause 7.3 shall stand automatically terminated without any liability to the Company.

## **11 Termination of Employment**

### **11.1 On death of a Participant**

In the event of death of a Participant while in employment, all the Options granted to him till such date and lying Unvested shall Vest in the Beneficiary of the deceased Participant immediately on the date of death. At its discretion, the Company may allow the Beneficiary to Exercise the vested options which may be settled in cash at a price which is a difference between Market Price as on the Relevant Date and Exercise Price. The cash settlement of Vested Options shall be effected within 30 days of intimation of the death of the Participant or such date which may be mutually agreed with the Beneficiary. In case the Company does not exercise its discretion, the Beneficiary shall have a right to Exercise all the Options (including those which Vest upon death of the Participant) within 365 days from the date of death of the Participant or 365 days from the expiry of the Exercise Period, whichever is earlier, failing which the Options shall lapse.

### **11.2 On disability of Participant**

In case the Employee suffers a permanent incapacity while in employment, all the Options granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him on that day. At its discretion, the Company may allow the Participant to Exercise the vested options which may be settled in cash at a price which is a difference between Market Price as on the Relevant Date and Exercise Price. The cash settlement of Vested Options shall be effected within 30 days of intimation of the permanent disability of the Participant or such date which may be mutually agreed with the participant. In case the Company does not exercise its discretion, the Participant shall have a right to Exercise all the Options (including those which Vest upon the disability of the Participant) within 365 days from the date of disability or 365 days from the expiry of the Exercise Period, whichever is earlier, failing which the Options shall lapse.

### **11.3 On attainment of superannuation age**

In case the services of the Participant with the Company or its subsidiary or associates are terminated due to the Participant's retirement on attaining the superannuation age, all the Unvested Options granted to him shall immediately stand cancelled and forfeited and the contract referred to in Clause 7.3 above shall stand automatically terminated without any surviving right/ liability for any party. The Participant

shall have a right to Exercise the Vested Options within 365 days from the date of attaining superannuation age or expiry of Exercise Period, whichever is earlier, failing which the Options shall lapse.

#### **11.4 Termination with Cause**

In case the termination of employment of a Participant with the Company or its subsidiary or associates is with Cause, his/ her Options (Vested and Unvested) shall stand automatically forfeited on the termination date and the contract referred to in Clause 7.3 above shall stand automatically terminated without any liability to the Company. The date of such termination shall be determined by the Board/ Committee, and its decision on this issue shall be final. The Board/ Committee shall however have the right to waive the forfeiture wholly or partly as per their sole discretion.

#### **11.5 Other terminations**

In case the service of the Participant with the Company is terminated other than specified in Clauses 11.1 to 11.4 above, all Unvested Options with the Participant on the Termination Date shall lapse and the contract referred to in Clause 7.3 above stand automatically terminated without any surviving right/liability for any party. In case the Participant is a Good Leaver, the Participants shall Exercise all the Vested Options within 60 days of Termination Date (last working date), failing which the Options shall lapse.

In case the Participant is a Bad Leaver, the provisions of Clause 11.4 of this Scheme shall apply, and all Options (Vested and Unvested) shall automatically be forfeited on the termination date and the contract referred to in Clause 7.3 above shall stand automatically terminated without any liability to the Company. However, the Board/ Committee shall have the right to waive the forfeiture wholly or partly as per their sole discretion.

#### **11.6 Long Leave**

Notwithstanding anything contained in the Scheme, for Participants on any long leave, the vesting conditions as specified in the Grant Letter shall prevail unless deferred for the period of such long leave as per the discretion of the Committee.

### **12 Notices and correspondence**

- 12.1 Any notice required to be given by a Participant/ Nominee to the Company/ Board/ Committee or any correspondence to be made between a Participant/ Nominee and the Company/ Board/ Committee may be given or made to the Company/ Board/ Committee at the registered office of the Company or at a place as may be notified by the Company/ Committee/Board in writing.
- 12.2 Any notice, required to be given by the Company/ Committee/ Board to a Participant/ Nominee or any correspondence to be made between the Company/ Committee/ Board and a Participant/ Nominee shall be given or made by the Company/ Committee/ Board on behalf of the Company and/or Board at the address provided by the Participant in his Acceptance Form or Nomination form.

### **13 Lock-in**

- 13.1 The Shares allotted pursuant to the Exercise of the Vested Options under Clause 10 above shall not be subject to any lock-in period.

#### **14 Beneficiary designation**

Each Participant under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

#### **15 Non-transferability of Options**

- 15.1 Save as provided in Clause 11.1 above, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, mortgaged, sold or otherwise transferred or encumbered by the Participant/ Nominee/ Beneficiary otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

#### **16 Transferability of Shares**

- 16.1 Subject to Clause 13 and Clause 24.7 below, any Participant (Employee/ former employee/ Beneficiary), who wishes to sell the Shares acquired pursuant to Exercise of Grants, can sell the Shares freely over the recognized stock exchange in India where such Shares are listed.
- 16.2 In case the shares are not listed on a recognized stock exchange, a participant should, offer to sell/transfer all or part of the Shares to the Promoter/Promoter Group or any other designated third party or entity as identified by the Board. In case the Promoter/Promoter Group or any other designated third party or entity as identified by the Board does not accept the offer made by the Participant within a period of 30 days from the date of offer, the Participant shall have the freedom to sell the Shares to any third party identified by the Participant whose business does not compete directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company, unless approved by the Committee. It is expressly stated that the transfer of Share acquired pursuant to Exercise of Vested Options under this Scheme shall be subject to prior approval of the Board/Committee.
- 16.3 The pricing for sale/transfer of Shares under Clause 16.1 and 16.2 of the Scheme will be the FMV of the Share as determined on:
- a. Date of sale/transfer of the Shares; or
  - b. If no FMV is determined on the date of sale/transfer of the Shares, then FMV as last determined on any date earlier than the date of sale/transfer, not being a date which is more than 180 days earlier than the date of sale/transfer or
  - c. at such other price as determined by the Board/Committee.

The FMV of the said Shares shall be as accepted by the Board/Committee and shall be final and binding on all parties.

## **17 Reorganization of Capital Structure and other Corporate Actions**

- 17.1 In the event the Company is involved (i) in a scheme for merger, reconstitution, consolidation, dissolution, liquidation or reorganization, exchange of Shares, share swaps, sale of all or substantially all of the assets of the Company (ii) any stock dividend, stock split, reverse stock split, stock combination, rights issue, bonus issues or other changes in the capital structure of the Company or (iii) any other event which in the judgment of the Committee necessitates action of making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price, such adjustment shall be made in a manner that the total value of the Options remains the same after the Corporate Action. In all such Corporate Actions, the Committee shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the Committee on whether such action is necessary and the extent of such action by the Committee shall be final and binding. If a change of Control shall occur, the Committee may make such adjustments at its discretion as are necessary or appropriate in light of the change of Control (including, without limitation, the substitution of stock other than stock of the Company as the stock optioned hereunder, and the acceleration of the exercisability of the Options), provided that the Committee determines that such adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.

## **18 Withholding Tax or any other Sums**

- 18.1 All Options granted under this Scheme shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in the Scheme (in or outside India), if any, and the Company or Committee/ Board, accordingly, may withhold such taxes and/ or levy and/ or contribution and/ or payment in full unless Committee decides to withhold in part.
- 18.2 Notwithstanding anything contained in any other Clauses of the Scheme, if, on the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment of the Shares and or at anytime while this Scheme is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Board/ Company/ Employing entity (in or outside India), such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Board/ Committee at its sole discretion decides to recover in part from the Participant.
- 18.3 Notwithstanding anything else contained in this Scheme, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Participant/ Nominee, on Exercise of the Options under the Scheme, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause or as prescribed under Applicable Laws are recovered in full, unless the Committee at its sole discretion decides to recover only a part of the same from the Participant or Beneficiary.

## **19 Arbitration**

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties

hereto, after a reasonable attempt, which attempt shall continue for not more than 30 days, 30 day notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held at Greater Noida under and in accordance with the Arbitration and Conciliation Act, 1996, and any statutory modification or re-enactment thereof for the time being in force. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law in India.

## **20 Tenure**

- 20.1 This Scheme shall continue in effect unless terminated by the Company/ the Board/ Committee.
- 20.2 Any such termination of this Scheme shall not affect Options/ Shares already granted and such Options/ Shares shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participant/ Beneficiary and the Committee/ Board/ the Company.

## **21 Governing Law**

- 21.1 This Scheme and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 21.2 The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of any Applicable Law, including but not limited to the Companies Act, 2013, Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 21.3 In the event that any term, condition or provision of the Scheme being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Scheme and shall be of no force and effect and the Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Scheme.
- 21.4 In order to comply with regulation of any other country or to avail any tax or other benefits, Committee or Board may at its sole discretion formulate an addendum to this Scheme for Employees employed in that country and made applicable to such Employees from the date determined by the Committee/ Board. Provided that such addendum shall not amount to variation of the scheme and shall not be prejudicial to the interests of the employees.

## **22 Regulatory approvals**

- 22.1 The implementation of the Scheme, the Grant of any Option under the Scheme and the issuance of any Shares under the Scheme shall be subject to the procurement by the Company and/or the Participant/ Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The

Participant/ Beneficiary under this Scheme will, if requested by the Board/ Committee, provide such assurances and representations to the Company or the Board/ Committee, as the Board/ Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

- 22.2 The Board/Company shall make all the relevant disclosures in the Director's Report relation to the Scheme as are required under the Applicable Laws.
- 22.3 The Board/Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Applicable Laws.

### **23 Modification of Scheme**

The Board/ Committee may, subject to obtaining necessary approvals, including shareholders' approval:

- 23.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme, all or any of the rights and obligations of the Grantee/ Participant/ Beneficiary;
- 23.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Participant/ Beneficiary;
- 23.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Participant/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Participant/ Beneficiary; and
- 23.4 Alter the Exercise Price, if the Option becomes unattractive.

Provided that no variation, alteration, addition or amendment to the Scheme under the Scheme can be made if it is detrimental to the interests of the Grantee/ Participant/ Beneficiary and the approval of the shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements.

- 23.5 Subject to the Clause 23.4, the Company may by special resolution in a General Meeting vary the terms of the Schemes offered pursuant to an earlier resolution of the general body but not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Employees.

### **24 Miscellaneous provisions**

- 24.1 No right to a Grant: Neither the adoption of the Scheme, nor any action of the Board/ Committee shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and then only to the extent of and on the terms and conditions expressly set forth therein, or in the Scheme as the case may be.
- 24.2 No employment rights conferred: Nothing contained in the Scheme or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of

employment with the Group, or (ii) interfere in any way with the right of the Group to terminate his employment at any time.

- 24.3 Adherence to Applicable Laws: The Participant shall comply with all Applicable Laws.
- 24.4 Transfer or Deputation: In the event that a Participant who has been granted Options under this Scheme is transferred or deputed to any other Company in the Group prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation.
- 24.5 This Scheme shall not confer on any person any legal or equitable rights against the Company or the Board/ Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board/ Committee.
- 24.6 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme.
- 24.7 The Participant shall comply with the provisions of the Applicable Laws as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board/ Committee and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.
- 24.8 The acceptance of the Grant is entirely voluntary and the Company or the Board/ Committee does not guarantee any return on Shares or Options.
- 24.9 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.
- 24.10 Until the date of listing of Shares of the Company on any recognized stock exchange, all actions, administrative powers (refer clause 4.1) and obligations contemplated under the scheme that is to be undertaken solely by the Committee, may also be undertaken by the Board.
- 24.11 The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme.

## **25 Set-off**

- 25.1 It is the Committee's obligation to convey to the Participant/ Nominee/ Beneficiary that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant/ Nominee/ Beneficiary to the Company, to the extent permitted under Applicable Laws.

## **26 Severability**

- 26.1 If any of the provisions mentioned in this Scheme are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.



**27 Confidentiality**

- 27.1 Notwithstanding anything contained in this Scheme, the Grantee/ Participant/ Nominee/ Beneficiary shall not divulge the details of the Scheme and/ or his holdings to any person except with the prior written permission of the Company/ Board/ Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee/ Participant/ Nominee/ Beneficiary. In case of failure to comply with this Clause by the Grantee/ Participant/ Nominee/ Beneficiary, the Grant or the contract referred to in Clause 7.3 above, as the case may be, shall, unless the Company/ Board/ Committee decides otherwise, stand automatically terminated without any surviving right/ liability for any party.