

## **EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

### **EMPLOYEE STOCK OPTION PLAN 2018 (ESOP-2018)**

#### **I. INTRODUCTION**

- 1.1 This Document explains the Scheme called the “**EMPLOYEE STOCK OPTION PLAN 2018**” (“**ESOP-2018**”) formulated by the Nomination, Remuneration and Compensation Committee of the Directors of **EMKAY GLOBAL FINANCIAL SERVICES LIMITED** and approved by the shareholders of the Company through the process of Postal Ballot on **21<sup>st</sup> March, 2018** subject to the authority vested in it by the Shareholders for the grant of Stock Options to its Eligible Employees and directors to acquire the Equity Shares in the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI ESOP Regulations**”).
- 1.2 Every person who is eligible to participate in the ESOP-2018 does so subject to the provisions of this Scheme.

#### **II. DEFINITIONS**

- 2.1 The following definitions apply throughout this Plan :

<b>NO.</b>	<b>TERMS</b>	<b>DEFINITIONS</b>
1.	ESOP-2018	Employee Stock Option Plan formulated by the Company
2.	Company	EMKAY GLOBAL FINANCIAL SERVICES LIMITED, a company formed and registered under the Companies Act, 1956 whose shares

NO.	TERMS	DEFINITIONS
		are being offered to the Employees as Stock Options under this Scheme
3.	Employees	All the eligible Employees and Directors, as defined in Para V of this Scheme
4.	Options	The Options granted by the Company to the Employees to enable the holders to subscribe to the Equity Shares of the Company in future at a pre-determined price
5.	Nomination, Remuneration and Compensation Committee (“NRC”Committee )	A Committee comprising of such members of the Board as provided under the Companies Act, 2013, as amended or modified from time to time for various purposes including management and administration of ESOP-2018
6.	Equity Share	Equity Share in the Company of the Face Value (Par Value) of Rs. 10/- (Rupees ten only) each
7	Holding Company / Subsidiary Company	The Holding Company(ies) and Subsidiary Company(ies) of the Company in accordance with the applicable definitions under the Companies Act, 2013
8	Exercise Price	The price per share to be paid by an Option holder to the Company for subscribing to the



NO.	TERMS	DEFINITIONS
		Equity Shares which the Option holder is entitled to under the Option
9	Optionholder	Any person holding the Options issued to him or received by him under the terms of the ESOP-2018
10	Grant Of Option	The grant of Options by the Company to the Eligible Employees
11	Option	Option means a right but not an obligation granted to an employee in pursuance of the ESOP-2018 to apply for shares of the Company at a pre-determined price
12	Vesting Of Option	An Option is said to have vested in an Eligible employee when he becomes eligible to subscribe to Equity Shares of the Company
13	Exercise	The process by which an Eligible employee makes an application to the Company for issuance of Equity Shares against the Options vested in him under the ESOP-2018
14	Minimum Exercise Period or Vesting Period	The period after which the Option holder becomes eligible to exercise the Option granted to him

NO.	TERMS	DEFINITIONS
15	Maximum Exercise Period	The period after which the Option holder is not permitted to exercise the Option granted to him
16	Scheme	The scheme for granting Stock Options to Employee under the ESOP-2018 formulated by the Company
17.	Long Leave	Long Leave means authorized Leave/ Maternity Leave in excess of 6 months as per the present rules and practices of the Company

2.2 Unless the context otherwise requires:

- a. The headings/ sub-headings/ titles/ sub-titles 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.
- b. Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- c. Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- d. The term 'including' shall mean 'including without limitation', unless otherwise specified.
- e. Words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.



f. All references in this Plan to statutory provisions shall be construed as meaning and including references to:

- (i) any statutory modification, consolidation or re-enactment made after the date of this Plan and for the time being in force;
- (ii) all statutory instruments or orders made pursuant to a statutory provision; and
- (iii) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

2.3 The terms not defined in this Plan shall have the meanings as defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any other SEBI Regulations, or in any statutory modifications or re-enactments thereof, as the case may be.

### **III. OBJECTIVES OF ESOP-2018**

The ESOP is introduced with multiple objectives, such as:

- to reward employees for their past loyalty and contribution as a part of employee compensation
- to reward employees for their contributions /performance
- to encourage employees to contribute their best
- to attract capable people
- to retain capable employees
- to give co-ownership to employees

### **IV. ESOP FEATURES**

4.1 In this Paragraph, a broad overview of the ESOP is given and each of the features is explained in detail later on. The basic features of the ESOP are as follows:



- (a) This ESOP-2018 has been approved by the members of the Company through the process of Postal Ballot on 21<sup>st</sup> **March, 2018**.
- (b) The Nomination, Remuneration and Compensation Committee of the Company has on **4<sup>th</sup> May, 2018**, taken the ESOP, so approved by the members, on record.  
  
It shall determine the Employees eligible for the ESOP-2018, the number of Options to be granted to those Employees and other related matters.
- (c) The Company would set aside certain number of Options.
- (d) These Options would then be granted from time to time by the Company to the Eligible Employees as per the decision of the Nomination, Remuneration and Compensation Committee.
- (e) Each Option would entitle the Holder to subscribe to **1 (one)** Equity Share in the Company, as explained below.
- (f) The Option would specify the timing for exercising the Option, i.e., for subscribing to the Equity Shares in the Company and the other terms and conditions.
- (g) The Equity Shares would be issued on the terms and conditions specified in this Scheme.

## **V. ELIGIBLE EMPLOYEES**

- 5.1 The following persons are eligible to participate in the ESOP, subject to such restrictions as provided in the scheme, unless they are prohibited to participate in the ESOP under any law or regulations for the time being in force.
- a) the full time permanent employees of the Company who have been working in India or outside India, director of the company whether a whole time director or not, but do not include:-
    - Independent Directors of the Company
    - Directors of the Company, who either by himself/herself or through any relative or body corporate, hold more than 10% of the Equity Share Capital of the Company;



- Employees who are Promoters of the Company or belong to the Promoter Group; and

b) the permanent employees of the present and future Indian/ foreign subsidiary companies or of a holding company of the Company who has been working in India or outside India, Directors of the present and future Indian/ foreign subsidiary companies or of a holding company of the Company, whether a Whole-time Director or not, but do not include:-

- Independent Directors of the Company
- Directors of the subsidiary companies who either by himself/herself or through any relative or body corporate, hold more than 10% of the outstanding Equity Share Capital of the company; and
- employees of the Subsidiary Companies or of a holding company of the Company who are Promoters of the company or belong to the Promoter Group of the company.

5.2 All the above-mentioned persons who are eligible to participate in the ESOP-2018 are for the sake of brevity referred to as “the Eligible Employees” or “the Eligible Employee”, as the case may be.

## **VI. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**

6.1 The Board of Directors of the Company already has a Nomination, Remuneration and Compensation Committee which inter alia will also be responsible for the effective implementation and monitoring of the ESOP-2018. The Board of Directors has, in its absolute discretion, power to change the composition of the Nomination, Remuneration and Compensation Committee from time to time.

6.2 The Nomination, Remuneration and Compensation Committee would decide the criteria for selecting the Employees who would be eligible for grant of the Options. Further, the Nomination, Remuneration and Compensation Committee would select from time to time the Employees to whom the Options should be granted and determine the number of Options to be granted to them. The Nomination, Remuneration and Compensation



Committee may decide to allot different number of Options to different Employees or to different categories of Employees. The decision of the Nomination, Remuneration and Compensation Committee would be final and binding.

6.3 The Nomination, Remuneration and Compensation Committee in its absolute discretion has been authorised to determine all the terms governing the ESOP-2018 including but not limited to:-

- determining the Eligible Employees to whom the Options are to be granted;
- the time when the Options are to be granted;
- the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
- the Exercise Price
- the quantum of Options to be granted at various points in time;
- the criteria for determining the number of Options to be granted to the Eligible Employees;
- the number of Options to be granted to each Eligible Employee;
- the terms and conditions subject to which the Options granted would vest in the Eligible Employee;
- the vesting schedule and the date of vesting of the Options granted;
- the terms and conditions subject to which the Options vested would be exercisable by the Eligible Employee;
- the date by which the Options have to be exercised by the Eligible Employee, including extension of such date subject to the approval of the Board of Directors;
- the number of Options to be apportioned / allocated for various grades of Eligible Employees;
- the assignment of weightage to length of service, grade and performance rating;
- the number of Options reserved, if any, for granting to new employees who would join the services of the Company; and
- the procedure for making adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub-division of shares, consolidation of shares, merger, acquisition, sale of division etc.



The terms prescribed by the Nomination, Remuneration and Compensation Committee shall be final and binding on all the Eligible Employees .

6.4 The Nomination, Remuneration and Compensation Committee shall also frame, at appropriate time, suitable policies and systems for the purpose of ensuring that there is no violation of:

- (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any Eligible Employee.

6.5 With respect to any matters that are not specifically provided for, the Nomination, Remuneration and Compensation Committee or/and the Board of Directors shall have absolute discretion to decide such matters in the manner deemed fit by it in the best interest of the Eligible Employees, as may be permissible under the applicable laws, and any such decision of the Nomination, Remuneration and Compensation Committee or the Board of Directors shall be binding on all the Eligible Employees.

## **VII. OPTIONS**

7.1 The Company would grant Options under ESOP-2018, with the rights and conditions attached to them as specified in the Scheme.

7.2 The Company has agreed to create and set aside such number of Options which would entitle the Option Holders to subscribe to Equity Shares not exceeding 24,53,403 equity shares of the Company of the face value of Re. 10/- each.

**PROVIDED HOWEVER THAT** the maximum number of Options to be granted to any one Eligible Employee, in aggregate, will not equal to or exceed 2% of the issued Equity Share Capital of the Company (excluding outstanding warrants and conversions, if any) at the time of grant of the Options. Provided further that the such maximum number of options to be granted to one Eligible Employee, in a financial year, shall not exceed 1% of the issued Equity Share Capital of the Company (excluding outstanding warrants and



conversions, if any) at the time of grant of the Options. To grant Options in excess of the aforesaid limit, an approval of the shareholders would be sought by way of a separate resolution.

- 7.3 The Company reserves the right to issue / earmark further Equity Shares / Options, at its discretion, for the purposes of the ESOP, subject to compliance with the applicable laws.
- 7.4 Each Option will specify the exercise price, i.e., the price per share to be paid by the Option holder to the Company for subscribing to the Equity Shares which his Option entitles him to.

The exercise price for the purposes of the grant of Options will be decided by the Nomination, Remuneration and Compensation Committee at the time of grant of Options to the employees/directors. The exercise price shall be the closing price of the Company's equity shares quoted on the Stock Exchange immediately prior to the date of Grant of the Options, which for this purpose shall be the date on which the Nomination, Remuneration and Compensation Committee meets to make its recommendations for the grant of Options. The Stock Exchange to be selected for determining the closing price shall be in accordance with the SEBI ESOP Regulations. The Committee may, at its sole discretion, consider a discount to such closing price.

- 7.5 The Company would then, on the basis of the decision of the Nomination, Remuneration and Compensation Committee, allot from time to time the Options (also known as "**Grant of Option**") to the Eligible Employees, without any consideration, along with a covering letter.
- 7.6 Each Option would entitle the Option holder to subscribe to **1 (ONE)** Equity Share at the Exercise Price mentioned above. However, the Option holder is not obliged to exercise the Option.
- 7.7 Every Option will specify the time period during which the Option may be exercised. Once the period for exercising the Option commences, the Option holder would become



eligible for exercising the Option granted to him (also known as “**Vesting of Option**”), and he would be entitled to subscribe to the Equity Shares.

At the time of grant of the Options, the Nomination, Remuneration and Compensation Committee would specify, in accordance with the ESOP-2018, for each Option the period after which the Option may be exercised (also known as “*the Vesting Period*”).

The Options granted would vest in to the Eligible Employee in **such number of** installments as per the terms specified in the Grant Letter issued to the respective employee at the discretion of the Nomination, Remuneration & Compensation Committee. Notwithstanding the above, the Nomination, Remuneration and Compensation Committee, shall in its absolute discretion, have the authority to waive the aforesaid restrictions relating to the vesting of Options and shall communicate to the Eligible Employee, at the time of grant, the time and the manner of vesting of Options, subject to a minimum vesting period of one year.

- 7.8 The Maximum Exercise Period for exercise of the Option would be **2(two)** years from the date of vesting of each tranche of the Option and the Option granted to an Eligible Employee would lapse if it is not exercised by him within the maximum period of **2(two)** years from the date of its vesting in him.
- 7.9 If more than one Option becomes vested in an Eligible Employee, he may, at his discretion, batch all the Options together and exercise them at one time or at different points of time, within the maximum exercise period.
- 7.10 If any Bonus and / or Rights Shares are issued by the Company or the Equity Shares of the Company are split up reducing the face (par) value per share or if there is a corporate reorganisation of the Company, then the Board of Directors of the Company will, on the recommendations of the Nomination, Remuneration and Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and / or to the exercise price. The Nomination, Remuneration and Compensation Committee, would, while making its recommendations, consider various factors, including, but not limited to, the following:



- (a) that the number and the price of the Options shall be adjusted in a manner such that the total value of the Options remains the same after the corporate action;
- (b) that global practices in this area, such as those in the derivatives market, should be adopted;
- (c) that, as far as possible, the vesting period and the life of the Options should be left unaltered.

Similarly, if the Company takes any other action which in the opinion of the Nomination, Remuneration and Compensation Committee requires any adjustment to the number of outstanding Options and / or the exercise price, then the Board of Directors of the Company will, on the recommendations of the Nomination, Remuneration and Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and / or to the exercise price. The decision of the Board of Directors on this issue would be final and binding on the Eligible Employees.

Provided However That what is provided hereinabove in this clause shall not apply to the issue of any Equity Shares that may be issued by the Company, subject to the approval of its members in a General Meeting, on a Preferential basis to certain persons, whether they are existing shareholders of the Company or not.

7.11 The Options granted to an Eligible Employee shall not be transferable to any person.

7.12 No person other than the Eligible Employee to whom the Options are granted shall be entitled to exercise the Option, except in the circumstances provided hereinafter.

Provided However That in case of an Eligible Employee to whom the Options are granted is transferred to / employed by any other group company of or associate company of or company within the same management / ownership as that of the Company after such Grant of Options, then he shall be entitled to exercise the Option in the manner and subject to the terms and conditions provided herein.



- 7.13 The Eligible Employee to whom the Options are granted shall not directly or indirectly be entitled to sell, pledge, assign, mortgage, hypothecate or otherwise transfer or dispose of alienate them in any manner all or any unexercised portion of the Options or the rights and benefits attached thereto.
- 7.14 An Option holder shall be entitled, at any time to nominate a person(s) who shall be eligible to exercise the Option, granted to him in the event of the death of the Option holder. The nomination shall be in the prescribed form. If no Nomination is made, the nomination made for the purposes of PF shall be applicable. Similarly, in the case of permanent incapacitation of an Eligible Employee while in employment, all the Options allotted to him till the date of his incapacitation shall automatically vest in him.
- 7.15 In case of termination of the services of the Eligible Employee due to resignation, the Options granted but not vested shall automatically lapse forthwith on submission of the resignation by an Eligible Employee. However, the Options vested but not exercised by the Eligible Employee who has resigned from the services of the Company, or, as the case may be, Holding Company(ies) or Subsidiary Company(ies), could be exercised by such Eligible Employee, provided such Eligible Employee does not engage in any capacity with any company or entity which is in similar business as that of the Company, or, as the case may be, Holding Company(ies) or Subsidiary Company(ies), without the prior written approval of the Company. All Options vested and eligible for being exercised shall be exercised by the resigned employee within thirty (30) days of his resignation in accordance with the ESOP-2018, failing which the unexercised Options shall lapse.

For the purposes of this clause, resignation means cessation of employment otherwise than on retirement or early retirement as defined / referred to in sub clause 7.19 below.

- 7.16 In case of Termination / Discharge of the services of the Eligible Employee for any reason other than misconduct of the Eligible Employee or resignation by the Eligible Employee or Early Retirement or Normal Retirement, the Nomination, Remuneration and Compensation Committee shall have the right to cancel all the Options granted but not vested which are outstanding as on the date of termination / discharge of the services of the Eligible Employee. All Options vested and eligible for being exercised shall be exercised by the terminated employees in accordance with the ESOP-2018.



- 7.17 In case of termination of the services of the Eligible Employee due to dismissal for misconduct of the Eligible Employee, the Nomination, Remuneration and Compensation Committee shall have the right to cancel the Options granted but not vested and / or Options vested but not exercised by such Eligible Employee.

The term 'misconduct' would be construed in accordance with the policies of the Company.

- 7.18 In the event of death of any Eligible Employee while in employment or while he/she is still a Director, the Options granted to him shall vest in his nominees on that day. All such Options which are vested as on the date of death shall be exercised by the nominee(s) within a period of **1 (one)** year from the date of death of the employee or such other extended period as may be decided by the Nomination, Remuneration and Compensation Committee. If an Eligible Employee has not made a nomination, then the Options shall vest in his legal heir(s) / successor(s) as aforesaid.

Provided However That the successor(s) shall be required to produce to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Eligible Employee.

In case the proof of the succession is not produced to the Company within one year from the date of death of the Eligible Employee or such further time as the Nomination, Remuneration and Compensation Committee may permit in its absolute discretion, the Options shall lapse.

Similarly, in the case of permanent incapacitation of an Eligible Employee while in employment or while he/she is still a Director, all the Options granted to him till the date of his incapacitation shall vest in him. All such Options which are vested as on the date of death shall be exercised by the nominee(s) within a period of **1 (one)** year from the date of date of permanent incapacitation or such other extended period as may be decided by the Nomination, Remuneration and Compensation Committee. The decision



whether or not an Eligible Employee is permanently incapacitated will be taken by the Nomination, Remuneration and Compensation Committee and such decision shall be final and binding on the Eligible Employee.

For this purpose, permanent incapacity shall mean any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Nomination, Remuneration and Compensation Committee based on a certificate of a medical expert.

- 7.19 In case the Eligible Employee retires from the Company pursuant to reaching the age of retirement as prescribed by the Company, all Options granted but not vested and/or Options vested but not exercised by such Eligible Employee can be retained by such Eligible Employee. All Options vested and eligible for being exercised shall be exercised by the retired employee in accordance with the ESOP-2018 within 3 months of his retirement or else the vested Options would lapse.

In case an Eligible Employee who has been granted Options, opts for Early Retirement otherwise than under a Scheme of Voluntary Retirement, all Options that are vested in the Eligible Employee subsequent to the date on which the Eligible Employee retires shall lapse. However, the Options vested but not exercised by an Eligible Employee who has opted for Early Retirement otherwise than under a Scheme of Voluntary Retirement can be exercised by such Eligible Employee, provided such Eligible Employee does not engage in any capacity with any company or entity which is in similar business as that of the Company, or, as the case may be, of the Holding Company or Subsidiary Company, without the prior written approval of the Company. All Options vested and eligible for being exercised shall be exercised by such Eligible Employee in accordance with the ESOP-2018.



For the purposes of this clause, Early Retirement means retirement by an Employee before the date of normal retirement where such early retirement has been approved by the Nomination, Remuneration and Compensation Committee.

- 7.20 In case of termination of the services of the Eligible Employee due to his retirement pursuant to a scheme of voluntary retirement as formulated by the Company, the terms relating to vesting and exercise shall be framed by the Nomination, Remuneration and Compensation Committee
- 7.21 In case an Eligible Employee has been suspended or in case of an Eligible Employee against whom an enquiry is being conducted for any reason, all Options shall stand suspended and shall not vest nor shall be exercisable until the enquiry is completed. If the Eligible Employee is found guilty of misconduct under any such enquiry, the provisions of clause 7.17 above shall apply.
- 7.22 Where an Eligible Employee has been granted a Long Leave, then the Eligible Employee may at the sole discretion of the Nomination, Remuneration and Compensation Committee be entitled to retain any or all the Options granted to him whether those Options have vested or not at the time of going on Long Leave and exercise the Option in accordance with this Scheme only on resumption of office. The decision of Nomination, Remuneration and Compensation Committee in this respect shall be final and binding.

Provided However That the vesting of the Options will be subject to the fulfillment by the Eligible Employee of the terms and conditions prescribed by the Company or in force at the time of granting the Long Leave and if the Eligible Employee fails to fulfill the prescribed terms and conditions, then all the Options which have not been exercised, whether vested in him or not, shall lapse.

- 7.23 The Options granted to an Eligible Employee would lapse if the Options are not exercised within the Maximum Exercise Period.



When an Option lapses under any of the circumstances mentioned in this SCHEME, then the Option holder shall have no right, title or interest in respect thereof or any claim against the Company. In the event of lapse of any Options, the Board of Directors of the Company shall be entitled, but not obliged, to create fresh Options in lieu of the lapsed Options.

- 7.24 An Eligible Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him, till the Equity Shares are issued and allotted to him on exercise of the Options.

## **VIII. EQUITY SHARES**

- 8.1 After the Minimum Exercise Period specified in Para VII above is over, the Eligible Employee to whom Options have been issued may exercise his Option to acquire the Equity Shares of the Company at the predetermined Exercise Price by adopting the procedure laid down below:

- (a) The Eligible Employee shall make a written application to the Company, in the prescribed form along with a covering letter. The application shall also be accompanied by the relevant Option which shall be cancelled by the Company. The Equity Shares shall be issued by the Company, to the Option holder against the payment by the Option holder to the Company of the Exercise Price as specified in para VII above, in one or more installments as the Nomination, Remuneration and Compensation Committee may, in its absolute discretion, decide.
- (b) For all Options exercised during a calendar month, the Company shall take appropriate steps to issue the relevant number of Equity Shares as soon as possible but not later than the next four months provided that the application is received at least 3 working days prior to the Board Meeting or meeting of any Committee authorised to allot Equity Shares under ESOP-2018 at the discretion of the Nomination, Remuneration and Compensation Committee. The period aforesaid



for grouping of exercise and issue of Equity Shares would be subject to review by the Nomination, Remuneration and Compensation Committee from time to time.

(c) The Eligible Employees may exercise any number of Options subject to a minimum of one hundred (100) Options vested to him in each tranche.

8.2 The Equity Shares once acquired pursuant to Options would not be subject to any lock-in period and the concerned shareholder shall be free to transfer them at any time. For example, if an Option is granted to an Eligible Employee on 1st September, 2018, and the Equity Shares are issued to the Option holder on 1st October, 2019, then the concerned Shareholder would be free to transfer those shares at any time thereafter.

8.3 The Equity Shares would carry Voting Rights and other rights in accordance with the provisions of the Companies Act, 2013 or its modification or re-enactment from time to time, and the Articles of Association of the Company in force from time to time.

The Equity Shares shall rank *pari passu* with the existing voting rights Equity Shares of the Company in all respects except that they shall be entitled to a pro rata dividend for the financial year in which they are allotted, unless otherwise decided by the Board of Directors or provided by law for the time being in force. As stated above, an Option holder shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him, till Equity Shares are issued and allotted to him on exercise of the Options.

8.4 The decision of the Nomination, Remuneration and Compensation Committee on any of the above matters including the date of exercise of Options will be final and binding on the Eligible Employees.

## **IX. EXIT MECHANISM**

9.1 Since the Company is a listed company, the Eligible Employee would be free to transfer those Equity Shares acquired pursuant to exercise of the Options at any time in accordance with the provisions of the Articles of Association of the Company and the other applicable laws.



## **X. VARIATION OF TERMS**

- 10.1 Subject to what is provided in para 10.2 below, the Company may by a special resolution in a general meeting vary the terms of the ESOP-2018 in respect of the Options which have yet not been granted to the Eligible Employees .

Further, the Company may re-price the Options which have yet not been exercised by the Eligible Employees if the Options are rendered unattractive due to fall in its share price of the Equity Shares of the Company.

- 10.2 The Company will not vary the terms of the ESOP-2018 in any manner which may be detrimental to the interests of the Option holders.

## **XI. APPLICABLE LAWS**

- 11.1 The grant of Options and issue and allotment of Equity Shares would be subject to the applicable provisions of the Companies Act, 2013, SEBI ESOP Regulations, the Income-tax Act, 1961 and the Rules framed thereunder including the Circulars and Notifications issued by the Central Board of Direct Taxes from time to time and the Foreign Exchange Management Act.

Accordingly, the Eligible Employees could accept the Options and exercise them subject to the applicable tax provisions from time to time.

The grant, vesting and exercise of Options will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-tax Act, 1961 and the Rules framed thereunder from time to time. The Company will deduct tax at source, wherever necessary, in respect of the Eligible Employee's Options. The Company shall have the right to recover the said Tax deducted at source from the salary or any other amount payable to the Eligible Employee. If the salary / amount payable by Company to the Eligible Employee is not sufficient to recover the amount of tax deducted at source, such Eligible Employee shall be liable to make good to the Company for such amount.



- 11.2 The ESOP-2018 would also be subject to all applicable laws at present and those which may become applicable in the future. The ESOP-2018 would be subject to the SEBI ESOP Regulations as may be prevalent from time to time. If to comply with any such law(s), it is necessary to modify any of the provisions contained herein, then the Company shall be entitled to suitably vary the terms of the ESOP-2018 by a special resolution in a General Meeting of the members of the Company.
- 11.3 In respect of the ESOP-2018, the Company shall conform to the applicable Accounting Policies.
- 11.4 All disputes, differences, claims and questions which shall arise between the Company and the Eligible Employees in relation to the ESOP-2018, shall be amicably settled. In the event of the failure to do so, the same shall be settled by an arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of the Arbitration shall be Mumbai, Maharashtra, India. The language of the Arbitration shall be in English.
- 11.5 This Scheme is subject to the exclusive jurisdiction of the Bombay High Court, Maharashtra, India.

## **XII EFFECTIVE DATE**

- 12.1 The ESOP-2018 shall be effective from the date that the ESOP-2018 is approved by the members and it shall continue in effect till its termination by the Nomination, Remuneration and Compensation Committee.

## **XIII. REGULATORY APPROVALS & COMPLIANCES**

- 13.1 The implementation of the Scheme, the grant of any Options under the Scheme and the issue of any Shares under this Scheme shall be subject to the procurement by the Company and the Employees of all approvals and permits required by any Governmental Authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto.



- 13.2 The inability of the Company to obtain approval or permits from any Governmental Authority having jurisdiction, or under any Applicable Laws for the lawful issuance and allotment of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.
- 13.3 The Company and the Eligible Employees shall make all requisite disclosures regarding this Scheme and the acquisition of shares pursuant thereto to the Governmental Authorities as may be mandated under Applicable Laws.

#### **XIV. REPRESENTATION**

- 14.1 Neither the Company nor the Nomination, Remuneration and Compensation Committee makes any representation regarding the performance of the Company or the future value of the Equity Shares. Each Eligible Employee should take the decision to exercise the Options granted to him after considering all the provisions of this Scheme and other relevant factors and must rely on his own evaluation of the Company including the risks involved.
- 14.2 Participation in the Scheme shall not be construed as any guarantee of return on the equity investment.

#### **XV. MISCELLANEOUS PROVISIONS**

- 15.1 Unless the Options are granted to the Eligible Employee, neither the adoption of the Scheme nor any action of the Board or the Nomination, Remuneration and Compensation Committee or the shareholders of the Company shall be deemed to give an Eligible Employee, any right to claim or be granted any Option / Units or a right to acquire Shares under the Scheme.



- 15.2 This Scheme shall not form part of any contract of employment between the Company and an Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason. It is clarified that nothing contained herein or in the Grant Letter shall give or confer upon the Eligible Employee, any right for continuation of any employment with the Company or interfere in any way with the right of the Company to terminate the employment of such Eligible Employee.
- 15.3 This Scheme shall not confer on any person any legal or equitable rights against the Company or the Nomination, Remuneration and Compensation Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Nomination, Remuneration and Compensation Committee.
- 15.4 The Employee shall comply with the provisions of Applicable Laws including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003 as well as any Code of Conduct or such similar policies, procedures or systems formulated or adopted by the Company, the Committee. 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 Employee to disciplinary action at the discretion of the Company.
- 15.5 The existence of this Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Company to make or authorize any change in capital structure (including any issue of shares, debt or other securities having any priority or preference with respect to the then existing Shares (including Shares underlying the Options or the rights thereof) or to prevent the Company from taking any corporate action



or change its capital structure which is deemed by the Company to be appropriate or in its best interest.

15.6 This represents the complete Scheme for ESOP-2018.

@@@