

**PB FINTECH LIMITED**  
**EMPLOYEES STOCK OPTION SCHEME – 2024**

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## 1. Name and Term of the Scheme:

- 1.1 This Scheme shall be termed as “PB Fintech Limited Employees Stock Option Scheme – 2024” (*hereinafter referred to as “Scheme”*).
- 1.2 This Scheme has been proposed and formulated by the Committee at its meeting held on August 14, 2024, which was subsequently adopted and approved by the Board of Directors through resolution passed on August 14, 2024. The Scheme has also been approved by the Shareholders of the Company pursuant to special resolution passed by the Shareholders on September 27, 2024.
- 1.3 The Scheme shall be effective from September 27, 2024, being the date of Shareholders’ approval and shall continue in effect unless (i) terminated by the Board of Directors or (ii) the date on which all of the Stock Options available for Grant under the Scheme have been granted and exercised, whichever is earlier. Any such termination of the Scheme shall not affect Options already granted and the powers of the Committee in relation to such Options, and the same shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal heirs and the Company.

## 2. Purpose of the Scheme:

- 2.1 The objective of the Scheme is:
- 2.1.1 To reward and incentives the Employees for their association and performance;
- 2.1.2 To attract, motivate and retain the Employees to contribute to the growth and profitability of the Company;
- 2.1.3 Bringing sense of association with the Company and its growth.

## 3. Definitions:

- 3.1 In this Scheme the following expressions including their grammatical variations and cognate expression shall, unless repugnant to the context or meaning thereof, have the meaning assigned to them respectively hereunder:
- 3.1.1 **Associate Company** means a company as defined under Section 2(6) of the Companies Act, as amended from time to time.
- 3.1.2 **“Abandonment”** means absence of an Employee from work for a period of 16 days or more without having communicated to the Company or its authorized representative in writing any reason of absence.
- 3.1.3 **“Applicable Law”** includes every law, rule, regulation or bye-law relating to Employee Stock Options (as defined hereinafter) in force, including, without

limitation to, the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the SBEB & SE Regulations, 2021 (as defined hereinafter), the SEBI Listing Regulations (as defined hereinafter), and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction, or of any stock exchange on which the Equity Shares (as defined hereinafter) of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws, to the extent applicable.

**3.1.4 “Board of Directors” or “Board”** means the board of directors of the Company, as reconstituted from time to time.

**3.1.5 “Body Corporate”** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.

**3.1.6 “Cause”** means:

- i.** illegal or unlawful acts of a Grantee, including, theft and fraud or dishonesty in relation to the Company;
- ii.** the Grantee committing an offence involving moral turpitude or unethical business conduct with respect to business of the Company;
- iii.** the Grantee committing any breach of his obligations under the employment agreement or any other agreement with the Company or any of the applicable policies of the Company (including the sexual harassment policy in force from time to time) which, if remediable, is not remedied within 30 (thirty) days of a written notice by the Company identifying such breach, or refusing or neglecting to comply with any reasonable and lawful directions of the Board;
- iv.** the Grantee committing misconduct outside work which in the reasonable opinion of the Board, would likely bring the Company into disrepute or significantly harm the Company's interests if the Grantee's employment were to continue;
- v.** the Grantee misrepresenting details relating to educational qualifications, prior work experience, or misrepresentation in relation to any criminal proceedings which to the best of his knowledge have been initiated / pending against him, as on the date of agreeing to the terms of employment;
- vi.** wilful misconduct or gross negligence by the Grantee, which is detrimental to the business or reputation of the Company;
- vii.** the Grantee breaching any confidentiality and protection of intellectual property rights or non-compete or non-solicitation terms agreed with the Company, as relevant;
- viii.** Grantee committing any other misconduct as defined in the Company’s rules or Employee handbook and / or employment agreement and/or appointment letter or
- ix.** any other act which would permit summary dismissal under Applicable Laws or employment terms;

**3.1.7** “**Cessation Date**” means the last working day on which a Grantee either ceases to be an employee or a director and who does not begin or continue otherwise to provide services to the Company/Subsidiary Company/Associate Company.

**3.1.8** “**Committee**” means Nomination and Remuneration Committee of the Company, designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations.

**3.1.9** “**Company**” means PB Fintech Limited, a company limited by shares, a company incorporated under the Companies Act 1956 having its registered office at Plot No. 119, Sector 44, Gurgaon, Haryana, India, 122001 and includes present and future Subsidiary Company in or outside India, of the Company.

**3.1.10** “**Corporate Action**” means the following events:

- (a) any rights issue or bonus issue of shares by the Company; or
- (b) any stock-split, consolidation, or other similar action in respect of the Share capital; or
- (c) any merger or consolidation or other reorganization, reclassification or similar event in respect of the Share capital where the shareholders of the Company do not Control such merged or consolidated entity.

**3.1.11** “**Directors**” shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.

**3.1.12** “**Eligibility Criteria**” means the criteria, as may be determined from time to time by the Committee, for Grant of Options.

**3.1.13** “**Employee**” means:

- (a) An Employee as designated by the Company, who is exclusively working in India or outside India;
- (b) A Director of the Company, whether a Whole Time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director;
- (c) an Employee as defined in clause (a) or (b) of Subsidiary Company and Associate Company, in India or outside India of the Company

but does not include

- (a) An Employee who is a Promoter or a person belonging to the Promoter Group; or
- (b) A Director who either himself or through his Relative or through any Body

Corporate directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company.

**3.1.14 “Exercise”** means making an application, in such manner and in such format as may be prescribed by the Committee, from time to time, by the Grantee, to the Committee for allotment of Shares, against Vested Options. The term **“Exercised”** and **“Exercisable”** shall be construed accordingly.

**3.1.15 “Exercise Period”** means the time period after Vesting within which a Grantee can Exercise the right to apply for Shares against the Vested Options.

**3.1.16 “Exercise Price”** means the price payable by the Grantee for exercising the Options vested in him in pursuance of the Scheme, as prescribed by the Committee, in accordance with Clause 11 of the Scheme and set forth in the Grant Letter.

**3.1.17 “Grant”** means the process by which the Company issues Options to the Grantee under the Scheme.

**3.1.18 “Grant Date”** means the date on which the Committee approves the Grant.

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

**3.1.19 “Grant Letter”** means the written or electronic agreement between the Company and an Option Grantee setting forth the terms and conditions applicable to a Grant to the Option Grantees under the Scheme.

**3.1.20 “Grantee”** shall mean an Employee to whom Options have been granted under the Scheme.

**3.1.21 “Independent Director** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3.1.22 “Long Leave”** means a leave approved by the company taken by the Grantee for a period of more than three months out of twelve months starting from the date of Vesting.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a sabbatical or maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.

**3.1.23 “Market Price”** means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

***Explanation** – If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price.*

**3.1.24 “Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee and opportunity of being heard:

- a. committing of any act warranting summary termination under law; or
- b. conduct which in the reasonable opinion of the Committee amounts to a serious breach by an option Grantee of the obligation of trust and confidence to his employer; or
- c. a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
- d. being convicted of any criminal offence; or
- e. being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual’s continued employment; or
- f. having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other Group member into disrepute or discredit;
- g. breach or violation of any Company policies/ terms of employment; and
- h. any other not included above but defined as misconduct in the Company’s rules or Employee handbook and / or employment agreement and/or appointment letter.

**3.1.25 “Options / Employee Stock Options”** means a right but not an obligation granted to a Grantee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Scheme.

**3.1.26 “Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.

**3.1.27 “Promoter”** shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

**3.1.28 “Promoter Group”** shall have the same meaning as under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018, as amended from time to time.

- 3.1.29 “Recognised Stock Exchange”** means a stock exchange which has been Granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.
- 3.1.30 “Relative”** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.
- 3.1.31 “Relevant Date”** means the date of the meeting of the Committee on which the Grant is made and in the case of exercise, the date on which the notice of exercise is given to the company by the Grantee.
- 3.1.32 “Scheme”** shall mean PB Fintech Limited Employees Stock Option Scheme – 2024 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- 3.1.33 “SEBI (SBEB & SE) Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 3.1.34 “SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 3.1.35 “Shares”** means Equity Shares of the Company.
- 3.1.36 Subsidiary Company** shall have the same meaning as defined in section 2(87) of the Company Act. 2013, as amended from time to time and includes any current and / or future Subsidiary of PB Fintech Limited, whether incorporated in India or outside.
- 3.1.37 “Unvested Option”** means an Option, which is not vested.
- 3.1.38 “Vested Option”** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.
- 3.1.39 “Vesting”** means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him under the Scheme.
- 3.1.40 “Vesting Date”** means the date on and from which the Option vests with the Grantees and there by becomes exercisable.
- 3.1.41 “Vesting Period”** means the period during which the vesting takes place.



**3.1.42 “Whole Time Director”** shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

**Interpretation:**

***In this document, unless the contrary intention appears:***

- a) The singular includes the plural and vice versa;*
- b) The word “person” includes an individual, a firm, a Body Corporate or unincorporated body or authority;*
- c) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders;*
- d) Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company’s policies shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.;*
- e) Articles, headings are for information only and shall not affect the construction of this document;*
- f) A reference to an article is respectively a reference to an Article of this document; and*
- g) Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

**4. Implementation & Administration:**

**4.1** The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

**4.2** The Company will allot fresh Shares to the Grantees upon successful exercise of Options in accordance with terms and conditions of the Scheme.

**4.3** Subject to Applicable Law and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee which may delegate some or all of its power to any other Committee or Persons for proper administration of the Scheme.

**4.4** The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) 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 may correct any defect, omission or

reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and to take any action which the Committee is entitled to take.

**4.5** Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees / Legal heirs).

**4.6** The Committee shall subject to Applicable Law, inter alia, have powers to do following:

- 4.6.1** To adopt rules and regulations for implementing the Scheme from time to time;
- 4.6.2** To delegate its duties and administrative powers in whole or in part as it may decide from time to time to any person(s) or sub-committee;
- 4.6.3** To decide upon re-granting of the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme;
- 4.6.4** To identify the Persons eligible to participate in the Scheme;
- 4.6.5** To finalize the Eligibility Criteria for Grant of Options;
- 4.6.6** To determine the Employees eligible for Grant of Options;
- 4.6.7** To determine the quantum of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme;
- 4.6.8** To decide upon granting of Options to new Joinees;
- 4.6.9** To determine the Grant Date;
- 4.6.10** To Grant Options to one or more eligible Employees;
- 4.6.11** To extend the period of acceptance of Grant;
- 4.6.12** To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme;
- 4.6.13** To determine the Vesting schedule for each Grantee;
- 4.6.14** To determine the conditions under which Options may vest in employees and may lapse in case of termination of employment for misconduct;
- 4.6.15** To determine the procedure and terms for the Grant, Vesting and Exercise of Options in case of employees who are on long leave;
- 4.6.16** To decide upon the mode and manner of Exercise;
- 4.6.17** To determine the right of an employee to exercise all the Options vested in him at one time or at various points of time within the exercise period;
- 4.6.18** To determine the exercise period within which the Grantee can exercise the Options and such Options would lapse on failure to exercise the same within such exercise period;
- 4.6.19** To determine the specified time period within which the Grantee shall exercise the vested Options in the event of termination or resignation;
- 4.6.20** To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme;
- 4.6.21** To determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to

the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.

In this regard, the following, shall inter alia, be taken into consideration by the Committee:

- i. the number and price of Options shall be adjusted in a manner such that total value to the employee of the Options remains the same after the corporate action;
- ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options.

**4.6.22** To cancel all or any granted Options in accordance with the Scheme;

**4.6.23** To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and Company;

**4.6.24** To finalize letters and other documents, if any, required to be issued under the Scheme;

**4.6.25** To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme;

**4.6.26** To appoint such agents as it shall deem necessary for the proper administration of the Scheme;

**4.6.27** 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;

**4.6.28** To determine the procedure for funding the Exercise of Options;

**4.6.29** To determine the procedure for buy-back of specified securities issued under the ESOP 2024, if to be undertaken at any time by the Company in accordance with the Applicable Laws, and the applicable terms and conditions, including:

- i. permissible sources of financing for buy-back;
- ii. minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- iii. limit upon the quantum of specified securities that the Company may buy-back in a financial year.

**4.6.30** To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.

b. The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.

c. A member of the Committee shall abstain from participating in and deciding on any

matter relating to Grant of any Options to himself.

## **5. Pool of the Scheme:**

- 5.1** The maximum number of Options that may be granted in one or more tranches, pursuant to this Scheme shall not exceed 2.5% of the issued and paid-up share capital as on August 14, 2024, i.e. 1,14,00,000 (One Crore Fourteen Lakhs) Options which shall be convertible into equal number of Shares.
- 5.2** Notwithstanding anything contained in 5.1, if any Option Granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further Grant under the Scheme unless otherwise determined by the Committee.
- 5.3** Further, the maximum number of Options that can be Granted and the Shares arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.
- 5.4** The Company reserves the right to increase or decrease such number of Options and Shares as it deems fit, in accordance with the Applicable Law.

## **6. Appraisal and Eligibility Criteria:**

- 6.1** The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant of Options under the Scheme, the number of Options to be Granted and the terms and conditions thereof.
- Depending upon the role/ position of the employee and its criticality.
  - **Performance of Employee:** Employee's performance during the financial year in the Company/Subsidiary(ies)/ Associate Company.
  - **Longevity of Service:** It will be determined on the basis of tenure of employment of an Employee in the Company/Subsidiary(ies)/Associate Company.
  - **Performance of Company:** Performance of the Company/Subsidiary(ies) as per the standards to be set by the Committee/ Board of Directors from time to time.
  - Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.
- 6.2** The Employees satisfying the Eligibility Criteria shall be termed as eligible Employee.
- 6.3** New Joinees can also participate in the Scheme and be Granted Options based upon the discretion of the Committee.
- 6.4** Nothing in the Scheme or in any Option Granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company/ Subsidiary(ies)/ Associate Company or interfere in any way with the right of the Company/ Subsidiary(ies)/ Associate Company to terminate the Employee's employment at any

time.

## **7. Grant of Options:**

**7.1** The Committee shall Grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment. The Committee has the discretion, but no obligation, to Grant Options to an eligible Employee.

**7.2** Subject to the availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of Grant. The Committee may decide to Grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

**7.3** The Grant of Options shall be communicated to the eligible Employees in writing through Grant Letter. Such a Grant Letter shall state:

- a.** the number of Options offered;
- b.** the Exercise Price and Exercise Period;
- c.** the Vesting Period & Vesting Schedule;
- d.** the date by which the offer can be accepted;
- e.** the conditions subject to which Vesting would take place;
- f.** the terms and conditions of the Grant; and
- g.** the lock-in conditions, if any, on the Shares issued pursuant to an Exercise of the Options; and
- h.** any other terms and conditions thereof.

The Grantee, along with the Grant Letter, shall also be furnished with the disclosures prescribed by SEBI.

**7.4** No amount shall be payable by an Employee at the time of Grant of Options.

**7.5** Upon acceptance of the Grant, an eligible Employee shall become Grantee under the Scheme.

**7.6** Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the Grantee to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.

**7.7** The Options Granted to the eligible Employees shall not be transferable to any other person.

7.8 The Options Granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

## 8. Method of Acceptance:

8.1 Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a acceptance letter electronically via ESOP Guardian software or manually by giving the signed copy of Grant Letter to the Committee or any of its authorized representatives, within 30 (Thirty) working days (*of the Company*) from the date of receipt of the Grant Letter or within such time period as mentioned in Grant letter, whichever is earlier. The Committee may extend the said period of 30 (Thirty) working days (*of the Company*) for such duration as it may deem fit for the benefits of the Grantees.

8.2 Any Grantee who fails to return the signed copy of Grant Letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the Grant.

8.3 The Grantee is not required to pay any amount at the time of acceptance of the grant.

8.4 Subject to the terms contained herein, the acceptance in accordance with this article, 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

## 9 Vesting of Options:

9.1 Vesting Period shall commence from the Grant Date, subject to a minimum of 4 (Four) years from the Grant Date and to a maximum of 8 (Eight) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee and set out in the Grant Letter.

Provided further that in the event of death or permanent incapacity of a Grantee, the minimum vesting period of one year shall not be applicable and in such instances, the Options shall vest in terms of SBEB & SE Regulations, on the date of the death or permanent incapacity.

9.2 The vesting schedule will be clearly defined in their Grant Letter of respective Grantees subject to minimum and maximum Vesting Period as specified in Article 9.1 above.

9.3 Vesting of Options would be subject to following:

- a. continued / uninterrupted employment with the Company;
- b. the achievement of performance criteria or any additional relevant metric, as set out in the Grant Letter;

- **Organizational performance:** Earnings per share (EPS) growth; Return on equity (RoE) / Return on capital employed (RoCE); Total shareholders return.

- **Individual performance** as determined by the Company's annual appraisal process.
- **Aggregate of Actual Individual / department / function achievement of own target**
- Any other criteria as decided by the Committee and mentioned in the Grant Letter

**9.4** Further, the Options granted under this Scheme are subject to the condition that the vesting shall happen only when the volume weighted average share price on the vesting date is 150% or higher of the volume weighted average share price preceding the Grant Date.

For the purpose of the above clause, volume weighted average share price will be based on the 90 days average share price immediately preceding the working day of the date of Grant of Options, on the stock exchange, having the highest trading volume.

**9.5** However, in case the average market price of the Equity Shares during 90 (ninety) days prior to the date of vesting of options is less than 150% of the Market Price as on the Grant Date as mentioned in the Grant Letter, then the vesting of options shall be carried forward for a maximum period of 4 (four) years (*8 years from Grant Date*) after the completion of actual vesting period mentioned in the Grant Letter whenever the average market price during 90 days is more than 150% of Market Price as on Grant Date as mentioned in the Grant letter . Accordingly, the vesting of Options will be intimated by the Committee to the Grantee within 15 days of completion of such vesting of options.

**9.6** In furtherance to clauses 9.4 and 9.5, granted options which remained unvested due to the non-achievement of average market price of the Equity Shares as mentioned in clause 9.4 and the Grant Letter, will lapse from the hands of Grantee. In such a case the Company would not be liable to pay any compensation to the Grantee on account of his lapse of Options. The Options so lapsed will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

**9.7** Further any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options, then the Options to be actually vested be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.

**9.8** The Vesting of Options shall be communicated to the eligible Grantees in writing through vesting letter.

**9.9** The Grantee is not required to pay any amount at the time of Vesting of Options.

## **9. Exercise of Options:**

**10.1** After Vesting, Options can be exercised either wholly or partly, within a maximum exercise period of 2 (Two) Years from the date of respective vesting, after submitting the Exercise

application along with payment of the Exercise Price, applicable taxes and other charges, if any.

- 10.2** Failure to comply within this time period, shall result in lapsing of Vested Options in the hands of Grantee and shall be added back to the pool and be available for fresh grants.
- 10.3** The mode and manner of the Exercise shall be communicated to the Grantees individually.
- 10.4** Upon valid exercise the Company will allot requisite number of Shares to the Grantee. Shares so allotted shall rank pari-passu to the existing Shares of the Company.
- 10.5** Upon such allotment, the Grantee shall become a member of the Company.
- 10.6** Notwithstanding anything contained elsewhere in the Scheme, the Company, may not allot Shares, in the event of the Grantee being found guilty of an offence involving fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.
- 10.7** If the Vesting or Exercise of Options is prevented by any law or regulation in force and/or the Company is forbidden to allot the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee.
- 10.8** The Committee shall have the power to cancel all or any of the Options Granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee.

## **10. Exercise Price:**

- 11.1** Under this Scheme, the Exercise Price per option shall be a price at 10% discount to the volume weighted average price of last 90 days immediately preceding working day of the date of grant of Options, on the stock exchange, having the highest trading volume.
- 11.2** Further, the Committee has the power to re-price the Grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares, after complying the conditions as mentioned in the SEBI (SBEB & SE) Regulations.
- 11.3** The aggregate Exercise Price payable at the time of Exercise shall be paid as per the discretion of the Grantee by cheque, demand draft, deduction from salary (if salary of the month of exercise is not paid and is sufficient for payment of Exercise Price) or NEFT/RTGS/ UPI payments /Online bank transfer to the Company.
- 11.4** The tax amount arising at the time of Exercise shall be payable as per the discretion of the Grantee at the time of Exercise by cheque, demand draft, deduction from salary (if salary



of the month of exercise is not paid and is sufficient for payment of tax amount) or NEFT/RTGS/ UPI payments /Online bank transfer to the Company.

## **12 Cessation of Employment:**

### **12.1 In the event of cessation of employment due to death:**

a) All Options Granted as on date of death would vest in the legal heirs / nominee of the Grantee on that day. The Options would be exercisable by the legal heirs / nominee within a period of 6 months from the date of death, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Article 5.2 of the Scheme.

b) All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to Exercise the Options of the deceased Grantee, the legal heirs / nominee have to submit the following documents to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents, wherein nominee is not registered / updated by the deceased Grantee with the depository participant where the Demat account is maintained:

#### **A. In case nominee is not appointed**

- Copy of the succession certificate /legal heir certificate/ probate of will / letter of administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Demat Account Details
- Copy of PAN card of the applicant (self – attested).
- Copy of address proof (self – attested)
- The Committee may ask for any other data / details as it may deem fit.

#### **B. In case nominee is appointed (registered / updated by the deceased Grantee with the depository participant wherein the Demat account is maintained and details of such Demat account has been informed to the Company)**

- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Demat Account Details
- Copy of PAN card of the applicant (self – attested).

- Copy of address proof (self – attested)
- The Committee may ask for any other data / details as it may deem fit.

**12.2 In the event of cessation of employment due to Permanent Incapacity:**

- a) All Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day. The Options would be exercisable within a period of 6 months from the date of Permanent Incapacity by the Grantee/nominee, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Article 5.2 of the Scheme.

**12.3 In the event of cessation of employment due to resignation or termination (not due to misconduct, moral turpitude or ethical/ compliance violations or like event):**

- a) All Unvested Options, on the date of cessation, shall expire and stand terminated with effect from Cessation Date.
- b) All Vested Options shall be exercisable by the Grantee within a period of 6 months from Cessation date. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Article 5.2 of the Scheme.

**12.4 In the event of cessation of employment due to retirement/ superannuation:**

- a) All Unvested Options, on the date of cessation, shall would continue to vest in accordance with the original vesting schedules even after the Retirement in accordance with the Company's Policies and provisions of the then prevailing Applicable Law.
- b) All Vested Options shall be exercisable by the Grantee within a period of 6 months from Retirement/Superannuation. The vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Article 5.2 of the Scheme.

**12.5 In the event of cessation of employment due to termination (due to misconduct, moral turpitude or ethical/ compliance violations or like event):**

- a) All Unvested Options, on the date of termination, shall expire and stand terminated with effect from that date.
- b) All Vested shall stand terminated with immediate effect, unless otherwise determined by the Committee, whose determination will be final and binding. The Committee, at its sole discretion shall decide the date of termination of a Grantee, and such decision shall be binding on all concerned.

- 12.6** In the event that a Grantee is **transferred or deputed to a Subsidiary Company** prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer or deputation.
- 12.7** In the event of **Abandonment of service by the Grantee**, all Options (Vested Options or Unvested Options) at the time of Abandonment of service, shall stand terminated forthwith. The date of Abandonment of service by the Grantee shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.
- 12.8** In the event of a Grantee going on **Long Leave**, the treatment of Options Granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.
- 12.9** In the event that a Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Grantee.
- 12.10** In the event where a **Dispute arises between Grantee and the Company**, Vesting and/or Exercise of Options will be put on hold till the date of settlement of the dispute, to the satisfaction of the Committee.
- 12.11** The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 12.1 to 12.10.

**13 Lock in requirements:**

- 13.1** The Shares allotted to the Grantees pursuant to Exercise of Options shall not be subject to lock-in period.

**14 Other Terms and conditions:**

- 14.1** This document sets out the features of the Scheme, the benefits accruing to the Employees under the Scheme, the duties and responsibilities of the Board and Committee, and the Employees, as well as the procedures to be followed in relation to the implementation, governance and monitoring of the Scheme. This document shall serve as the reference for the administration of the Scheme. This document should be carefully read and understood by all the stakeholders (including the relevant Employees), and the procedures prescribed herein shall be diligently observed and adhered to, for the purposes of availing the benefits under the Scheme.
- 14.2** Upon the issuance of Shares consequent to the Exercise of an Option under the Scheme, the maximum number of Shares that can be issued under the Scheme as approved by the shareholders of the Company shall stand reduced to the extent of such Shares issued.
- 14.3** Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a

Shareholder of the Company in respect of any Share covered by the Grant unless the Grantee Exercises the Options and becomes the registered Shareholder of the Company.

- 14.4** The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise Options in whole or in part.
- 14.5** The Scheme is being floated by the Company for the benefit of the Employees and, in no case whatsoever, is to be considered as part of their recurring compensation. The Scheme shall not form part of any contract of employment between the Company and any Employee.
- 14.6** The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.
- 14.7** The Grantee shall abide by 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 may be amended from time to time, Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

## **15 Notices and correspondence:**

- 15.1** Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company / Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the Company.
- 15.2** Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the official email Id of the Grantee.

## **16 Nomination of Beneficiary:**

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

Grantee's lifetime.

- 16.2** If the Grantee fails to make a nomination, the Shares shall Vest on his/her legal heirs in the event of his/her death.

**17 Corporate Action:**

- 17.1** Except as hereinafter provided, any Grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action' as defined herein.

- 17.2** If there is a 'Corporate Action' of the Company before the Options Granted under this Scheme are Exercised, the Grantee shall be entitled on Exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options Exercised by him/her, had been Exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Corporate Action, the Committee, subject to the provisions of Applicable Laws, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, Exercise Price and make any other necessary amendments to the Scheme for this purpose. The Vesting Period and life of the Options shall be left unaltered as far as possible.

- 17.3** In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined in the relevant scheme of such reconstitution / amalgamation / sell-off not prejudicial to the interest of the Grantee.

- 17.4** In the event of a dissolution or liquidation of the Company, the Company will notify the Grantees as soon as practicable prior to the effective date of such dissolution or liquidation and the treatment of Options granted (whether Vested or not) shall be decided by the Committee.

**18 Disclosure and Accounting Policies:**

- 18.1** The Company shall make all the necessary disclosures required under the provisions of the SEBI (SBEB & SE) Regulations, 2021 and other Applicable Laws. The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

- 18.2** Compensation cost will be booked in the books of account of the Company over the vesting period.

- 18.3** The Company shall comply with the disclosure requirements and accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations, 2021 or as may be

prescribed by regulatory authorities from time to time.

## **19 Taxability on the Grantee:**

**19.1** The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

There would be following points of Taxation on the Grantee:

- Point 1: At the time of Exercise, the difference between the Market Price of the Shares as on date of Exercise and the Exercise Price will be added as a perquisite under salary in the month of Exercise. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.

E.g.: Exercise Price= Rs. 1,400 per Option

Market Price of share on exercise = Rs. 2,200 per shares

Perquisite = Rs. 2,200 – Rs. 1,400 = Rs. 800/- per share.

Suppose employee falls in 30% slab, his perquisite tax will be Rs. 240/-

- Point 2: At the time of sale of the Shares of the Company by the Grantee. On selling of the Shares, the concerned Grantee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

E.g.: Sale Price= Rs. 2,300 per Option

Cost of acquisition = Rs. 2,200 per shares

Capital Gain = Rs.2,300 – Rs.2,200= Rs. 100/- per share.

## **20 Surrender of Options:**

**20.1** Any Grantee to whom the Options are granted under this Scheme, may at any time, surrender his Options to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

## **21 Dispute:**

**21.1** 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 dispute 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 reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

**21.2** In case of such failure, either party may refer the Dispute to and finally resolved by

arbitration under the Arbitration and Conciliation Act, 1996, as amended or re-enacted from time to time. The arbitration panel shall consist of a sole arbitrator to be appointed by mutual consent of the Parties. In case the Parties are unable or fail to appoint a sole arbitrator such arbitrator shall be appointed in accordance with Arbitration and Conciliation Act, 1996. Arbitration awards thus rendered shall be final and binding upon the Parties

**21.3** The arbitration proceedings shall be held in New Delhi under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing, whose decision shall be final and binding on the Parties. The arbitrator shall also have the authority to award costs of the arbitration, including legal fees and other costs. The cost of arbitration shall be borne by the Parties to the Dispute(s). The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Gurugram, Haryana.

**21.4** Notwithstanding the provisions of this Dispute clause, the Parties shall have the right to seek interim or injunctive relief from any court of competent jurisdiction, pending the final decision or award of the arbitrator.

## **22 Governing Law:**

**22.1** This Scheme and all related documents there under shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other Applicable Laws.

**22.2** The provisions of the SEBI Regulations and applicable laws shall prevail in the case of any contrary provisions in the Scheme.

## **23 Regulatory Approvals:**

**23.1** The implementation of the Scheme, the Granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Grantee / nominee / legal heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme. The Grantee / nominee / legal heirs under this Scheme will, if requested by the Committee / Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **24 Modification of Scheme:**

**24.1** Subject to the Applicable Laws, the Committee may, at any time:

**24.1.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee;

**24.1.2** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees. Each of

such sets of special terms and conditions shall be restricted in its application to those specific Grantee or class or category of such Grantees.

**24.2** Any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Grantees of the Company.

**25 Confidentiality:**

**25.1** Notwithstanding anything contained in this Scheme, the Grantee shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee.

**\*\*\*\*\* End of the Scheme \*\*\*\*\***