

# ONE 97 EMPLOYEES STOCK OPTION SCHEME 2019<sup>1</sup>

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<sup>1</sup> One 97 Employees Stock Option Scheme 2019 (“ESOP 2019”) was revised by passing Special Resolution in the Extra-Ordinary General Meeting held on 12.07.2021. Further, post Initial Public Offering of the Company, ESOP 2019 has been ratified and amended on 19.02.2022 by passing Special Resolution through Postal Ballot.

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## 1. Introduction

- 1.1 This Scheme shall be called One 97 Employees Stock Option Scheme 2019 “ESOP 2019”.
- 1.2 The ESOP 2019 was adopted by the resolution of the Board on 4<sup>th</sup> September 2019 and approved by the shareholders on September 30, 2019 through a special resolution.

## 2. Objective of the Scheme

- 2.1 One 97 Communications Limited, a Company incorporated and registered under the Companies Act, 1956 having its registered office at First Floor, Devika Tower, Nehru Place, New Delhi - 110019 has structured this scheme for its Employee. The objective of ESOP 2019 is to reward Employee for their past performance and association with the Company, as well as to attract, retain, reward and motivate Employees to contribute to the growth and profitability of the Company. This purpose is sought to be achieved through the grant of Options to the Employees to subscribe for the shares of the Company.

## 3. Definitions and Interpretation

### 3.1 Definitions

- i. **“Applicable Laws”** means every law relating to Employee Stock Options, including, without limitation to, the Companies Act, 2013, Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and all applicable tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- ii. **“Acceptance Form”** shall mean the form which the grantee has to submit indicating his acceptance of the offer made to him to participate in ESOP 2019.

- iii. **“Associate Company”** shall mean as defined in the Companies Act, 2013
- iv. **“Board”** means the Board of Directors of the Company.
- v. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.
- vi. **“Company”** or **“One 97”** means “One 97 Communications Limited”.
- vii. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the Employees.
- ix. **“Employee”** means  
 For grants made before the Initial Public Offer:
  - (a) a permanent employee of the Company who has been working in India or outside India; or
  - (b) a Director of the company, whether a whole time director or not but excluding Independent Director; or
  - (c) an employee as defined in sub-clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the Company (if any) but does not include –
    - (i) an employee who is a promoter or a person belonging to the promoter group, if applicable, or
    - (ii) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent (10%) of the outstanding equity shares of the Company.

For grants made after the Initial Public Offer:

- (a) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (b) a Director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group (if any), but excluding independent director; or
- (c) an employee as defined in sub-clauses (a) or (b) of a group company including subsidiary company or associate company or joint venture



company, in India or outside India, or of a holding company of the Company (if any) but does not include –

- (i) an employee who is a promoter or a person belonging to the promoter group, if applicable, or
  - (ii) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent (10%) of the outstanding equity shares of the Company
- x. **“Employee Stock Option” or “Option”** means the Option given to the Employees of the Company, which gives such Employee the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price.
- xi. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2019, in accordance with the procedure laid down by the Company for exercise of Options, and **“Exercised”** shall be construed accordingly.
- xii. **“Exercise Period”** means such time period after Vesting within which the Employee can exercise the Options vested in him in pursuance of the ESOP 2019.
- xiii. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2019 as may be determined by the Nomination and Remuneration Committee.
- xiv. **“Grant”** means the issue of Options to an Employee, and **“Granted”** shall be construed accordingly.
- xv. **“Grant Date”** means the date on which the Options are granted to a grantee by the Nomination and Remuneration Committee under ESOP 2019.  
Explanation—For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.
- xvi. **“Nomination and Remuneration Committee”** means a Committee constituted by the Board of Directors in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
- xvii. **“Nominee”** means the spouse, any child of the employee or any other person nominated by the employee as provided hereinafter.

- xviii. **“Option Grantee”** means an Employee having right but not an obligation to exercise in pursuance of ESOP 2019.
- xix. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Board.
- xx. **“Relative”** means such term as defined under the Companies Act.
- xxi. **“Retirement”** means the termination of employment or service of an Option Grantee on or after the Option Grantee’s attainment of retirement age as determined by the Company or, transfer of employment to or from, Subsidiaries Companies or existing and future group companies of the Company including associate companies, joint venture companies and holding company, if any, whether in India or abroad, or Employees who have been granted sabbaticals, or any other circumstances as may be deemed appropriate by the Nomination and Remuneration Committee in the best interest of the Company.
- xxii. **“Scheme / Plan / ESOP 2019”** means this Employee Stock Option Plan i.e. One 97 Employee Stock Option Scheme 2019 under which the Company is authorized to grant Employee Stock Options to the Employees and shall include any alterations, amendments, additions, deletions, modifications or variations thereof from time to time in accordance with applicable law.
- xxiii. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP 2019.
- xxiv. **“Subsidiary Company”** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- xxv. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxvi. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2019.
- xxvii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.

- xxviii. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee occurs, in pursuance of the ESOP 2019 takes place.
- xxix. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxx. **“Strategic Sale”** means sale of equity stake or sale of division which tantamount to dilution of Founder’s shareholding upto 25% or less.
- xxxi. **“Founder”** means Mr. Vijay Shekhar Sharma.

### 3.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) Any word which is not defined under the Scheme shall be interpreted in line with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”), as may be amended from time to time.
- g) A reference to an article is respectively a reference to an article of this document.
- h. Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.



#### 4. Maximum Number of Shares to be issued

- 4.1 The maximum number of Options that may be granted under this Scheme and ESOP Scheme 2008 collectively shall not exceed 61,094,280<sup>2</sup> options, and correspondingly adjusted for any sub-division or consolidation of the Shares, as may be required.
- 4.2 Each Option granted under this Scheme shall entitle the holder thereof for one Share, of a face value of Re. 1/-, correspondingly adjusted for any sub-division or consolidation of the Shares, as required, on such terms and conditions as may be determined by the Nomination and Remuneration Committee.
- 4.3 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws.
- 4.4 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2019, the maximum number of Shares that can be issued under ESOP 2019 as referred to in Clause 4.1 above will stand reduced to the extent of such Shares issued.

#### 5. Implementation and Administration of the Scheme

- 5.1 The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

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

<sup>2</sup> The ESOP Pool of the Company has been increased from 951,355 equity options to 1,058,762 equity options of Rs. 10/- each vide resolution passed in an EGM dated 19<sup>th</sup> August, 2011.

The ESOP Pool of the Company has been increased from 1,058,762 equity options to 1,318,762 equity options of Rs. 10/- each vide resolution passed in an EGM dated 31<sup>st</sup> March, 2014 and further increased to 1,923,620 equity options of Rs. 10/- each vide resolution passed in an AGM dated 30<sup>th</sup> September, 2015. The ESOP pool further increased from 1,923,620 to 2,166,524 equity options of Rs. 10/- each vide resolution passed in an AGM dated 30<sup>th</sup> September, 2019. The ESOP pool further increased from 2,166,524 to 2,409,428 equity options of Rs. 10/- each vide resolution passed in an EGM dated 26<sup>th</sup> March, 2021. The ESOP pool further increased from 2,409,428 to 61,094,280 equity options of Rs. 1/- each vide resolution passed in an EGM dated 2<sup>nd</sup> September, 2021.

implementing such a change and that such a change is not prejudicial to the interests of the Employees.

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

**5.3 Nomination and Remuneration Committee**

Nomination and Remuneration Committee as constituted by the Company in compliance with the Applicable Law shall be designated as Compensation Committee. The ESOP 2019 shall be administered and superintended by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2019 or any Employee Stock Option shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2019 or such Employee Stock Option.

**5.4 Powers of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (a) The quantum of Employee Stock Options to be granted under the ESOP 2019 per Employee, subject to the ceiling as specified in Para 4.1;
- (b) the conditions under which Option vested in Employees may lapse in case of termination of employment for misconduct;
- (c) the specified time period within which the Employee shall exercise the Vested Options in the event of termination or resignation of an employee;
- (d) 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;
- (e) the procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, share-split, merger, sale of division and others. In this regard following shall be taken into consideration by the Nomination and Remuneration Committee:

- (i) the number and the price of ESOP 2019 shall be adjusted in a manner such that total value of the ESOP 2019 remains the same after such 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 Option holders.
- (f) The Exercise Price, Vesting Period, Exercise Period, Eligibility Criteria;
- (h) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
- (i) To prescribe, amend and rescind rules and regulations relating to the scheme;
- (j) To construe and interpret the terms of the Scheme and Options granted relating to the Scheme;
- (k) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2019;
- (l) The procedure for cashless exercise of Employee Stock Options, if required; and
- (m) Subject to SEBI (SBEB & SE) Regulations, to approve accelerated vesting of Options to evolve, decide or bring into effect or make modification, alterations, changes, variations or revisions from time to time in its absolute discretion limited only to accelerated vesting of Option.
- (n) The procedure for buy-back of Options granted under the Scheme, in compliance with applicable laws.

5.5 The Nomination and Remuneration Committee shall frame suitable policies and systems as may be required under Applicable Laws to ensure that there is no violation of:

- (a) securities laws, as amended from time to time, including 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 by the trust, the company and its employees, as applicable; and
- (b) Relevant provisions of Companies Act and the SEBI (SBEB & SE) Regulations



## 6. Eligibility and Applicability

- 6.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2019. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee.
- 6.2 Under the Scheme, Options may be granted to the Employees and Directors of the Company, its group companies including Subsidiary or its Associate Companies in India and abroad, and its holding company (if any), as determined by the Nomination and Remuneration Committee on its own discretion, subject to Applicable Laws.
- 6.3 Unless otherwise provided by the Nomination and Remuneration Committee, Employee Stock Options are granted to an Employee shall be subject to the terms and conditions set forth in this Plan and the Agreement as approved by the Nomination and Remuneration Committee.
- 6.4 Grant of Employee Stock Options shall be evidenced by the Employee Stock Option Agreement in such form, as the Nomination and Remuneration Committee shall from time to time determine. Such Agreement shall be deemed to incorporate all of the terms of the ESOP 2019, as if the same were set out therein.
- 6.5 Where an Employee is a director nominated by an institution as its representative on the Board of the Company shall be eligible to participate in ESOP 2019 as per the SEBI Regulations and by fulfilling the following:
- the contract/ agreement entered into between the institution nominating its employee as the director of a company and the director so appointed shall, inter-alia, specify the following:
    - whether Options granted by the Company under its ESOP can be accepted by the said employee in his capacity as director of the company;
    - that Options, if granted to the director, shall not be renounced in favour of the nominating institution; and

- the conditions subject to which fees, commissions, ESOPs, other incentives, etc. can be accepted by the director from the Company.
- the institution nominating its employee as a director of a company shall file a copy of the contract/ agreement with the said company. Once a company becomes a listed company, such agreements or contracts will from then on also be required to be filed with all the stock exchanges on which its shares are listed.
- the director so appointed shall furnish a copy of the contract/ agreement at the first Board meeting of the company attended by him after his nomination.

## 7. Grant of Options

- 7.1 The Nomination and Remuneration Committee may, on such dates as it shall determine, grant to such eligible Employee as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide.
- 7.2 The Employee to whom an Option is granted shall communicate his acceptance of the Option in Acceptance Form within 30 days from the date of grant.
- 7.3 An Option to a grantee is personal to such grantee and not assignable.
- 7.4 Each Option will entitle the participant to one share of the Company.
- 7.5 A minimum period of one (1) year shall be there between the grant of Options and vesting of Options.
- 7.6 Approval of shareholders by way of resolution shall be obtained for grant of Options to Employees of Group Company including Subsidiary Company, Associate Company or holding company; or
- 7.7 Approval of shareholders by way of separate resolution shall be obtained in case of grant of Options to identified Employees, during any one year, equal to or exceeding one (1) percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options.
- 7.8 No amount shall be payable by an Employee at the time of grant of Options.

## 8. Maximum quantum of Options per Employee

- 8.1 Subject to Applicable Laws, no Employee shall be granted, in any one year of the Company, Options to purchase more than or equaling to 1% of the outstanding issued share capital as on the date of grant (excluding outstanding Options and conversions) unless a special resolution is being passed as per applicable laws. Pursuant to the special resolution passed by the members in general meeting/postal ballot, the Nomination and Remuneration Committee may grant to the Employee(s) mentioned in such resolution, Options to purchase shares exceeding or equal to 1% of the outstanding issued share capital as on date of grant (excluding outstanding Options and conversions).

## 9. Vesting Period <sup>3</sup>

Subject to Clause 13, Options granted under ESOP 2019 would vest from the end of the first year from the grant date and will keep on vesting till the end of the fifth year as per the quantum mentioned in the Schedule below:

	Date	No. of Options*
<i>1<sup>st</sup> Vesting</i>	End of Ist Year	10%
<i>2<sup>nd</sup> Vesting</i>	End of II <sup>nd</sup> Year	20%
<i>3<sup>rd</sup> Vesting</i>	End of the III <sup>rd</sup> Year	20%
<i>4<sup>th</sup> Vesting</i>	End of IV <sup>th</sup> Year	25%
<i>5<sup>th</sup> Vesting</i>	End of V <sup>th</sup> Year	25%

Vesting of Options would be subject to continued employment with the Company and thus the Options would vest on passage of time.

\* Options to be considered for performance criteria specified in below paragraph. Final vesting shall be considered only after applying the performance criteria.

<sup>3</sup> Clause 9 of ESOP Scheme 2019 has been altered vide a resolution passed by the members of the Company in an Extra-ordinary General Meeting dated March 26, 2021.

Subject to the other provisions of this ESOP 2019, vesting of above Options would be subject to continued employment with the Company and will also be dependent on performance matrix which will be given by HOD and HR. As per scheduled vesting for the year, performance multiplier rating will be used based on multiple parameters like impact made on overall business, behavioral maturity, track record of displaying Paytm values etc., which are independent of the bell curve or annual appraisal normalization process. There will be 2 ESOP rating dates 31-March and 30-September, which will be considered for vesting dates for the following 6 months as applicable. W.r.t. this, HR will make process and drive it across the organization to measure productivity and performance based on multiple parameters including KRAs, behavioral maturity, impact made on overall business etc. In case of any dispute, HR decision would be considered as final rating.

#### **10. Exercise of Options**

- 10.1 Options granted under the Scheme and Vested with the Option Grantee shall be exercisable by the Option Grantee only during the Exercise Period. All Vested Options not Exercised within the Exercise Period shall expire.
- 10.2 Notwithstanding anything contained in this Scheme, all Options granted to the Option Grantee and Vested with him shall not be exercisable after the expiry of the Exercise Period.
- 10.3 The Employee can exercise the vested Options, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

#### **11. Exercise Price**

Under this Scheme, the exercise price for Options will be decided by the Nomination and Remuneration Committee. However, in any case the exercise price shall not go below the face value of equity shares of the Company.



The exercise price per Option shall be the consideration payable by an Option Grantee for exercising an Option. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or online modes (RTGS/NEFT/IMPS/UPI etc.) or in such other manner as the Nomination and Remuneration Committee may decide.

## **12 Exercise Period<sup>4</sup>**

12.1 The Employee Stock Options granted shall be capable of being exercised anytime during the entire period of continuous active employment from the date of Vesting of the respective Employee Stock Options. The shares arising out of exercise of Vested Options will not be subject to any lock - in period after such exercise.

## **13. Lapse of Options<sup>5</sup>**

- (a) In the event of the death of an Employee while in employment with the Company, all the Vested and Unvested Options may be Exercised by the Option Grantee's nominee or legal heirs.

In accordance with applicable law, the legal heirs as mentioned in clause (a) above can exercise the options within three months from the date of death.

- (b) In the event of separation of an Employee from the Company due to reasons of Permanent Incapacity, all Options Granted to him as on the date of permanent incapacitation shall vest in him on that day. The Option Grantee may Exercise his or her Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than one year from the date of separation from employment. In the event of the death of the Option Grantee after such separation and before the expiry of one year from the date of such separation, the nominee / legal heir of

<sup>4</sup> Clause 12 of One 97 ESOP Scheme 2019 has been altered vide a special resolution passed by the members of the Company in an Extra-ordinary General Meeting dated September 02, 2020.

<sup>5</sup> Clause 13(c)(ii) and Clause 13(d) of One 97 ESOP Scheme 2019 has been altered vide a resolutions passed by the Nomination and Remuneration Committee in its meeting held on October 24, 2020

such Option Grantee would be allowed to exercise such Vested and Unvested Options within three months from the date of death of the Option Grantee.

- (c) Notwithstanding anything contained in ESOP 2019, in the event of Retirement, all Options Granted to an Option Grantee shall continue to Vest in accordance with the Vesting schedule after such Retirement.
- (d) In the event of resignation or termination, all Unvested Options on the date of submission of resignation or on the date of termination shall expire and stand terminated with effect from such respective date. However, all Vested Options as on such respective date shall be exercisable by the Employee immediately, but in no event later than three months of such employee's resignation or termination or March 31<sup>st</sup>, 2022, whichever is later.
- (e) In the event of abandonment of employment by an Option Grantee, all Options granted to such Employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Nomination and Remuneration Committee, at its sole discretion shall decide the date of abandonment by an Employee and such decision shall be binding on all concerned.
- (f) In the event of termination of the employment of an Option Grantee due to breach of policies of the Company or the terms of employment, all Options granted to such Employee, including the Vested Options which were not exercised at the time of such breach shall stand terminated with effect from the date of such breach; the date of such breach shall be determined by the Nomination and Remuneration Committee, and its decision on this issue shall be binding and final.
- (g) In the event of a Director who has vacated the office due to retirement:
  - i. all Vested Options should be exercised by the Option Grantee as per the terms of the grant; and
  - ii. all Unvested Options would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the applicable law and can be exercised as per the terms



of the grant, unless otherwise determined by the Nomination and Remuneration Committee whose determination will be final and binding.

- (h) In the event that a Grantee is transferred or deputed to an associate company prior to vesting or exercise of Options, the vesting and exercise of Options, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.
- (i) 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.
- (j) In the event that a Grantee is transferred or deputed to a Group Company or Subsidiary Company or Holding Company, all unvested options on the date of submission of resignation or on the date of termination shall expire and stand terminated with effect from such respective date. However, all Vested Options as on such respective date shall be exercisable by the Employee immediately, but in no event later than three months of such employee's transfer or deputation.

<b>14. Effect of Bonus issue, rights issue, stock split, merger or other Corporate Action</b>
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- 14.1 Subject to the applicable laws, in the event of any bonus issue, rights issue, stock split, merger, restructuring, strategic sales or any such event happening subsequent to the Grant of Options, the Nomination and Remuneration Committee, subject to the shareholder's approval, if any, shall have the discretion to make appropriate amendments to the Scheme, including changes in the number of Options, the Exercise Price or floating a new Scheme/ extending the application of the existing Scheme or any other fair and just

mechanism including acceleration of Options, if deemed essential, in accordance with law as it deems fit, while striving to ensure that the rights of the Employees are not adversely affected. Any such change (being compensatory in nature) would not be deemed to be a change in the terms of the Scheme. Alternatively, if it is deemed necessary, the Scheme could be substituted by a new Scheme, while ensuring that the rights of the Employees are not adversely affected.

## **15. Other Terms and Conditions**

- 15.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares unless the Option Grantee Exercises such Options (as the case may be) and becomes a registered holder of the Shares of the Company.
- 15.2 The Employee Stock Options granted to Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
- 15.3 Employee Stock Options shall not be transferable to any other person.
- 15.4 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option subject to clause 16.5 and 13(b).
- 15.5 The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted to them, till shares are issued on exercise of Options.

## **16. Tax liability**

All Options granted or shares allotted under the Scheme shall also be subject to all applicable tax requirements, if any prevailing, and the Company shall have the right to deduct from the salary or recover by any other mode, the sums due towards tax arising in connection with the exercise of Options under this Scheme. The Company shall have no obligation to deliver Shares until the Company's tax obligations, if any, have been satisfied by the Option Grantee.

**17. Authority to vary terms**

- 17.1 The Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2019, subject to the Applicable Laws. The Managing Director/CEO may cancel unvested ESOPs or extend the vesting period of unvested ESOPs with the consent of the respective employee.
- 17.2 Consequent upon any changes in Applicable Laws, such change shall be deemed to be a part of the Plan until the Plan is reviewed and changes are approved by the Board.

**18. Disclosure and Accounting Policies:**

- 18.1 The Company shall comply with the applicable accounting policies as prescribed under Regulation 15 of SEBI (SBEB & SE) Regulations and other applicable laws.
- Further, to value the Options, the Company shall comply with Fair value method or any other method as per applicable statutory provisions, from time to time.

**19. Miscellaneous**

- 19.1 Government Regulations
- This ESOP 2019 shall be subject to all Applicable Laws, and approvals from governmental authorities.
- 19.2 Inability to obtain authority
- The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale 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.
- 19.3 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any

person and the Company give such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

- 19.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.
- 19.5 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 19.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part
- 19.7 The amount, if any, payable by the Employee, at the time of grant of Option:
- a) may be forfeited by the Nomination and Remuneration Committee, if the Option is not exercised by the employee within the Exercise Period; or
  - b) the amount may be refunded to the Employee at the discretion of Nomination and Remuneration Committee, if the Options are not vested due to non-fulfillment of conditions relating to vesting of Option.
- 19.8 The Company is authorized to draft all applicable forms/declarations/ returns and such other documents as may be required in line with applicable laws and regulations to implement the scheme.



- 19.9 The Company shall maintain a Register at its registered office for Employee Stock Option in Form No. SH 6 and shall forthwith enter therein the particulars of Options granted.
- 19.10 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 Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

## **20. Beneficiary Designation**

Each Grantee under the Scheme may designate, from time to time, any beneficiary or beneficiaries to whom any benefit under the Scheme is to be delivered in case of his death. Each such designation shall revoke all prior designations by the same Grantee and shall be in a form prescribed by the Nomination and Remuneration Committee and will be effective only when filed by the Grantee in writing with the Nomination and Remuneration Committee, during the Grantee's lifetime.

## **21. Governing Law and Jurisdiction**

- 21.1 The terms and conditions of the ESOP 2019 shall be governed by and construed in accordance with the laws of India, as amended from time to time.
- 21.2 The Courts of New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2019.
- 21.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2019:
- (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.
- 21.4 In the event of any conflict between the provisions of this policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.

**22. Severability**

If any of the provisions mentioned in this plan are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by applicable laws.

**23. Term of the Plan**

- 23.1 The ESOP 2019 is established with effect from 01.04.2019 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the Options available for issuance under the ESOP 2019 have been issued and exercised.
- 23.2 The Board of Directors may subject to compliance with Applicable Laws, at any time suspend or terminate the ESOP 2019.