

# **IKIO LIGHTING LIMITED**

**(Formerly, IKIO Lighting Private Limited)**

## **("ILL") EMPLOYEE STOCK OPTION SCHEME**

**Adopted by the Board on September 14, 2022**

## **1. NAME, OBJECTIVE AND TERM OF THE EMPLOYEE STOCK OPTION SCHEME**

- 1.1. This employee stock option scheme of Ikiio Lighting Limited shall be called the ILL Employee Stock Option Scheme 2022 and shall include any alterations, amendments or modifications made hereto by the ESOS administrator in accordance with applicable law and the Memorandum and Articles of Association of the Company.
- 1.2. The Board has, in its meeting held on September 14, 2022, authorised and given its in principle approval to constitute the ILL Employee Stock Option Scheme 2022, the constitution of the ILL Employee Stock Option Scheme 2022 has been further approved by the shareholders of the Company on September 16, 2022. The ILL Employee Stock Option Scheme 2022 has been formally adopted and approved by the Board and the shareholders of the Company in their respective meetings held on September 14, 2022 & September 16, 2022.
- 1.3. The ILL Employee Stock Option Scheme 2022 has been adopted with the objective of attracting and retaining employees for positions of substantial responsibility, to provide additional incentive to the employees and to motivate the employees to contribute to the growth and profitability of the company. The Company views the options (as defined below) as instruments that would enable the employees to share the value they create in the Company in the years to come.
- 1.4. The ILL Employee Stock Option Scheme 2022 shall continue to be in force until the earlier of (i) its termination by the ESOS administrator in accordance with Clause 1.5; or (ii) the date on which all of the options have been exercised in accordance with the terms set out in the ILL Employee Stock Option Scheme 2022.
- 1.5. The ESOS administrator shall have the right, subject to compliance with applicable law and the Memorandum and Articles of Association of the Company, to alter, amend, suspend or terminate the ESOS 2022 (as defined below).

## **2. DEFINITIONS AND INTERPRETATION**

### **2.1. DEFINITIONS**

**Applicable Law** means every law relating to employee stock options, to the extent applicable, including and without limitation to the Companies Act, 2013 and the corresponding rules framed there under, Securities and Exchange Board of India Act, 1992 including the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.

Adopted by the Board: 14<sup>th</sup> September 2022

**Board** means the Board of Directors of the Company and include any committee thereof.

**Cause** shall mean any act that is proven to be:

- (a) a wilful and material failure by the Employee to perform all or a material part of his or her duties, observe the terms of employment or follow the policies of the Company;
- (b) a crime or an unethical, fraudulent, or felonious act or any other act involving moral turpitude that is committed by the Employee including but not limited to any misappropriation of funds of the Company, act of sexual harassment, disruptive or abusive behavior, fraud, malicious damage, assault, serious incapability through alcohol or use of narcotic substances, actions which endanger safety of other employees and personnel of the Company or falsification or unauthorized removal of the Company's records or property;
- (c) wilful malfeasance or gross negligence in the discharge of the Employee's duties to the Company which has an adverse effect on the Company or any of its businesses or its reputation;
- (d) disclosure of Confidential Information of the Company, including but not limited to the disclosure of financial statements, remuneration packages, etc. to any other employee, vendor, customer or business associate of the Company or a third party; or
- (e) such other act or deed as may be determined by the ESOS Administrator as being prejudicial to the interests of the Company.

**Company** means Ikio Lighting Limited.

**Companies Act** means the Companies Act 2013, as the case may be, the rules framed thereunder and any statutory modifications or re-enactments thereof (or any provisions of any earlier Companies Act, 1956, still in force and applicable to the issue)

**Compensation Committee** means the Nomination of Remuneration Committee of the Board or a committee of such members of the Board as provided under Regulation 19 of the Listing Regulations.

**Compliance Officer** means any senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the Rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 under the overall supervision of the Board .

**Confidential Information** means information or know-how which is confidential and proprietary to the Company or its affiliates or third parties with whom the Company has affiliation, and which is disclosed to or obtained by the Employee from the Company or its affiliate or such third parties, in any form on any media or disclosed verbally, including but not limited to;

- (a) information of past or present customers, vendors, business associates, agents, partners or prospective customers (in any jurisdiction of the world);
- (b) business data, particularly data and statistics relating to new projects, services, promotion campaigns, plans for future development, business arrangements and associations in which the Company or its affiliates, customers or vendors are involved or may be involved in the future;
- (c) all data in respect of employees, consultants, agents, representatives of the Company or its affiliates, including details of their performance and compensation, and commission;
- (d) research and development data;
- (e) financial data of the Company and its affiliates; and
- (f) any other information or know-how which the Company communicates to its Employees as being confidential or proprietary in nature.

**Corporate Action** means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of shares and /or consolidation of Shares.

**Director** means a Member of the Board.

**Eligibility Process** means that in determining the eligibility of an Employee to receive an Option, as well as determining the number of Shares to be granted to any Employee, the ESOS Administrator may consider the position and responsibilities of the Employee, the nature and value to the Company of the Employee's services and accomplishments, the Employee's present and potential contribution to the success of the Company and such other factors as the ESOS Administrator may deem relevant.

**Employee**, means:(i) an employee as designated by the Company who is exclusively working in India or outside India; or (ii) 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; or (iii) an employee as defined in (i) or (ii) of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but does not include (a) an employee who

is a promoter or belongs to the promoter group or (b) a director who either himself or through his relative or through a body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

**Employee Stock Option Agreement** means the agreement executed by and between an Option Grantee and the Company pursuant to the issuance of a Letter of Grant.

**ESOS Administrator** means the Nomination and Remuneration Committee, which shall be authorized by the Board to manage and administer the implementation of the ESOS 2022 and take decisions in relation to issuance of Options in accordance with the ESOS 2022, Applicable Law and the Memorandum and Articles of Association of the Company.

**ESOS 2022** shall mean the ILL Employee Stock Option Scheme 2022 and any other document issued to, or executed with, an Employee or an Option Grantee, by the Company pursuant to the ILL Employee Stock Option Scheme 2022 including but not limited to Letters of Grant and Employee Stock Option Agreements.

**Exercise** means an expression of an intention by an Option Grantee to exercise the Vested Options issued to him, in pursuance of the ESOS 2022, in accordance with the terms and conditions laid down for exercise of the Vested Options including but not limited to the submission of an Exercise Application in connection with such Vested Options (as per the Vesting Schedule).

**Exercise Application** means the application form as may be prescribed by the ESOS Administrator to be submitted by an Option Grantee to the Company along with the documents required to be provided or executed in favour of the Company for payment of the aggregate of the Exercise Price in connection with the Vested Options sought to be exercised by the Option Grantee.

**Exercise Period** means the time period within which an Option Grantee may Exercise the Vested Options as set out in this ESOS 2022 or as may be determined by the ESOS Administrator.

**Exercise Price** means the price payable by an Option Grantee in order to Exercise a Vested Option issued to him in pursuance of the ESOS 2022 (if any) in accordance with the relevant Option Grantee's Employee Stock Option Agreement.

**Grant** means the process by which the company issues options, SARs, shares or any other benefits under any of the schemes.

**Grant Date** means the date on which the Compensation Committee approves the grant.

**Independent Director** shall have the same meaning assigned to it under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**Insider** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**Listing Regulations** shall mean to include SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Letter of Grant** means a letter issued by the Company intimating an Employee of the Options granted to him or her for acquiring a specified number of Shares in pursuance of the ESOS 2022.

**Memorandum and Articles of Association** means the charter documents of the Company.

**Nomination and Remuneration Committee** means the Committee of such members of the Board of Directors of the Company constituted under the Section 178 of the Companies Act, 2013 and, which shall also perform the role of the ESOS Administrator, as provided under the regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Option(s)** means the right but not an obligation granted to an Option Grantee to apply for a specified number of Shares in accordance with and subject to the terms and conditions set out in the ESOS 2022.

**Option Grantee** means an Employee who has been issued a Letter of Grant in pursuance of the ESOS 2022 and has entered into an Employee Stock Option Agreement with the Company but does not have an obligation to exercise an Option in pursuance of an ESOS 2022.

**Permanent Incapacity** means any incapacity 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 ESOS Administrator, based on a certificate of a medical expert identified by the ESOS Administrator.

**Promoter** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**Recognized Stock Exchange(s)** means the Bombay Stock Exchange Limited, National Stock Exchange of India Limited or any other stock exchange on which the Company's Shares are listed or proposed to be listed.

**Registrar and Share Transfer Agents or RTAs** means Registrar and Share Transfer Agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE, NSE and the UPI Circulars

**SEBI (SBEB) Regulations** means the Securities and Exchange Board of India (Share Based

Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued there under.

**SEBI Act** means the Securities and Exchange Board of India, 1992 as amended, and includes all regulations and clarifications issued there under.

**SEBI (ICDR) Regulations** shall mean SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendments thereto

**Shares** mean equity shares of the Company having a face value of Rupee 10 each.

**Trading** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities.

**Trading Day** means a day on which the recognized stock exchanges are open for trading.

**Vest(ing)** means the Option Grantee becomes entitled to Exercise the Options granted to him or her in pursuance of the ESOS 2022.

**Vesting Conditions** means the conditions subject to which an Option issued would Vest in an Option Grantee.

**Vested Option** means an Option in respect of which the relevant Vesting Conditions linked to passage of time has been satisfied and the Option Grantee has become eligible to Exercise such Option.

**Vesting Period** means the period between issuance of an Option and the date on which such Option becomes a Vested Option.

**Unvested Option** means an Option, at a given point in time, in respect of which the relevant Vesting Conditions linked to passage of time has not been satisfied and, as such, the Option Grantee has not become eligible to Exercise such Option.

**Unpublished Price Sensitive Information** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**UPI Circulars** means The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or

notifications issued by SEBI in this regard.

Any term not defined above but defined in the Companies Act, 2013 or such other relevant statute for the time being in force shall have the meaning assigned to it under the Companies Act or such other relevant statute, as the case may be.

## 2.2. Interpretation

In this ESOS 2022, unless the contrary intention appears:

- (a) the headings are for ease of reference only and shall not be relevant to the interpretation of the provisions herein;
- (b) a reference to a clause number includes a reference to its sub-clauses;
- (c) words in singular form include the plural and vice versa;
- (d) words importing a gender include any other gender;
- (e) a reference to any document includes a reference to any part of that document which is incorporated by reference.
- (f) Words and expressions used and not defined here but defined in the SEBI (SBEB) Regulation, SEBI Act, the Securities Contracts (Regulation) Act, 1956 (42 of 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.
- (g) The terms defined above shall for the purpose of the ESOS 2022 have the meanings herein specified and terms not defined above shall have the meaning as defined in the Companies Act, 2013 or Applicable Laws, as the context requires. Reference to any Act, Rules, Statute or Notification shall include any statutory modifications, substitution or re-enactment thereof

## 3. AUTHORITY AND CEILING

- 3.1. The Board and the shareholders of the Company in their meetings held on September 14, 2022 and September 16, 2022 have resolved to issue Options Exercisable into a maximum of 22,50,000 Shares. It is further clarified that the above number only sets out a maximum number of Shares to be issued in terms of this ESOS 2022 and does not impose an obligation on the Company to mandatorily issue Options.
- 3.2. Where Shares are issued or acquired consequent to an Exercise of a Vested Option under ESOS 2022, the maximum number of Shares that can be issued or acquired under ESOS 2022 as referred to in Clause 3.1 above will stand reduced to the extent of such issued or acquired Shares.

- 3.3. In case of any Corporate Action(s), a fair and reasonable adjustment will be made to the Options granted, subject to the Applicable Laws. Accordingly, for giving effect to the aforesaid, the following actions shall be taken by the ESOS Administrator:
- a) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the Corporate Action;
  - b) for this purpose global best practices in this area in India and abroad shall be considered; and
  - c) The Vesting Period and Exercise Period shall be left unaltered as far as possible to protect the rights of the Option Grantees.
- 3.4. Options not Vesting due to non-fulfillment of the stipulated conditions, Vested Options which the Option Grantees have expressly refused to Exercise within the Exercise Period and any Options issued but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and these Options will be available for issue by the ESOS Administrator to any Employee(s) as it may deem fit in its absolute discretion, whether under the ESOS 2022 or under a new scheme, subject to compliance of the provisions of Applicable Law. The terms and conditions relating to re-issuance of such lapsed Options, as aforesaid, will be determined by the ESOS Administrator at a time as it may deem fit in its absolute discretion, subject to compliance with Applicable Law.
- 3.5. Pursuant to the listing of the Securities of the Company on any recognized stock exchange, the provisions of the SEBI Regulations, including but not limited to SEBI (SBEB) Regulations and Listing Regulations, will be applicable to the Shares issued pursuant to the scheme, without any further modification to this ESOS 2022.

#### **4. ADMINISTRATION**

- 4.1 ESOS 2022 shall be administered by the ESOS Administrator. All questions of interpretation, discrepancies arising because of, or pursuant to, or in connection with the ESOS 2022 shall be referred to the ESOS Administrator for its determination. Any decisions taken by the ESOS Administrator shall be final and binding on all persons having an interest in or affected by the ESOS 2022.
- 4.2 The ESOS Administrator shall in accordance with the ESOS 2022, the Memorandum and Articles of Association and Applicable Law, in its sole and absolute discretion, determine the following:
- (a) the quantum of Options to be granted under the ESOS 2022 per Employee, subject to Clause 3;

- (b) the Eligibility Process;
- (c) the time when the Options are to be issued;
- (d) the number of tranches in which the Options are to be issued and the number of Options to be issued in each such tranche;
- (e) the number of Options reserved, if any, for issue to new or prospective Employees;
- (f) the Vesting Period of each Option and the Vesting schedule of all the Options issued;
- (g) the Vesting Conditions;
- (h) the conditions under which Vested Options in Employees may lapse including but not limited to circumstances of termination of employment with or without Cause, separation from employment, etc.;
- (i) the Exercise Period within which the employee can exercise the Options;
- (j) 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;
- (k) deciding the treatment of Unvested Options on termination of employment or separation from employment, etc.;
- (l) the procedures that may be adopted for making a fair and reasonable adjustment to the number of Shares to be issued or sold to an Option Grantee and to the Exercise Price, in cases of Corporate Actions such as a merger or any other restructuring of the Company, without prejudice to the rights of the ESOS Administrator as set out in Clause 8.3;
- (m) the procedure and terms for the grant, Vesting and Exercise of Options in case of Employees who are on long leave;
- (n) the procedure for funding the Exercise of Options, if required and subject to Applicable Law;
- (o) framing appropriate procedures and rules for grant, Vesting and Exercise of Options and amending, altering, modifying or rescinding the ESOS 2022 or such procedures and rules framed thereunder from time to time;
- (p) submitting information reports, etc., in connection with the ESOS 2022, to the Recognized Stock Exchange(s) at stipulated periodical intervals or otherwise, if applicable;
- (q) approving forms, agreements or any other documents for use in pursuance of the

ESOS 2022.

(r) Undertake such other activities as may be prescribed to be undertaken under any of the SEBI Regulations including any Listing regulations, as applicable to the Company from time to time.

4.3 The ESOS Administrator may frame suitable policies and systems and amend the same as required to ensure that there is no violation of any Applicable Law for the time being in force.

4.4 The number of members of the ESOS Administrator and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of Applicable Law.

4.5 No member of the Board or the ESOS Administrator shall be personally liable for any decision or action taken in good faith in pursuance of the ESOS 2022.

4.6 In connection with listing of Securities of the Company on any recognized stock exchange or anytime thereafter, the Board or the Nomination and Remuneration Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended from time to time, and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee

## **5. ELIGIBILITY PROCESS AND IDENTIFICATION OF EMPLOYEES**

5.1 The specific Employees to whom the Options would be issued and the Eligibility Process would be determined by the ESOS Administrator.

5.2 The ESOP Administration may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the ESOP 2022 and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the ESOS Administrator.
- Performance of the Company as per the standards set by the ESOS Administrator;
- Any other criteria as decided by the Committee in consultation with ESOS

Administrator from time to time.

- 5.3 An Employee identified for issue of Options shall be furnished with: (i) a copy of the ESOS 2022 for his or her review and acceptance; (ii) a Letter of Grant for his or her acceptance; (iii) a copy of the Employee Stock Option Agreement to be executed by such Employee; and (iv) any other form or document as the ESOS Administrator may decide in their sole discretion.

**5.4 Identification and Classification of Employees for ESOS 2022:**

The ESOS Administrator may, within ESOS 2022, identify and classify the employees in various categories for determining the periods of vesting, exercising and granting of options. The identified employees of the Company may be classified into different categories, based on the Organisational Structure of the Company.

The ESOS Administrator shall indicate the manner of identification and basis of classification in a pre-determined format which shall cover all eligible and identified employees under ESOS 2022.

Each Category of identified and eligible employees may have such granting, vesting and exercise schedules as deemed fit, by the ESOS Administrator. The ESOS Administrator will also be authorized to limit the number of options and specify the minimum and/or maximum number of options to be issued to every employee under each such category, as deemed fit.

**5.5 GRANT OF OPTIONS**

The ESOS Administrator may determine the minimum and maximum number of Options to be granted to every employee. The same may be determined on the basis of the identification and classification as undertaken by the ESOS Administrator in Point 5.4. above.

**6. VESTING SCHEDULE**

- 6.1. Subject to the Vesting Conditions and the other terms and conditions of the ESOS 2022, the Options issued to an Option Grantee would vest not less than 1 (one) year and not more than 4 years from the date of grant of the Options. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Employee Stock Option Agreement executed with the Employee at the time of grant of the Options.

There shall be a minimum period of one year between the issue of Options and commencement of Vesting of Options provided that in a case where Options are granted by the Company under this ESOS 2022 in lieu of options held by the same person under an employee stock option scheme in another company, which has merged or amalgamated with the Company, the period during which the options granted by the merging or amalgamating company were held by such person shall be adjusted against the minimum vesting period required under this Clause 6.1.

- 6.2. Unless the ESOP Administration requires a different Vesting schedule, subject to compliance

with sub-clause 6.1, on any other occasion of Grant, the following Vesting schedule shall apply to all Grants made under this ESOS 2022:

<b>Dates of Vesting</b>	<b>Percentage of Options to vest</b>
On 1st anniversary from the date of Grant	25% of Options granted
On 2nd anniversary from the date of Grant	25% of Options granted
On 3rd anniversary from the date of Grant	25% of Options granted
On 4th anniversary from the date of Grant	25% of Options granted

- 6.3. In the event of death of the employee while in employment, all the Options or any other benefit granted under the ESOS 2022 to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.
- 6.4. In case the employee suffers a permanent incapacity while in employment, all the Options or any other benefit granted to him/her under the ESOS 2022 as on the date of permanent incapacitation, shall vest in him/her on that day.
- 6.5. The Options granted under ESOS 2022 shall be vested in one or more tranches, as per the terms of the issue of options determined by the ESOP Administrator at the time of issue.

**6.6. PERFORMANCE BASED VESTING**

Nothing in this Clause shall prohibit the ESOS Administrator from providing, at the time of the grant of the options, for Performance based vesting to any such specified employees, as deemed fit. The performance criteria will be stipulated at the time of grant of options and will also form part of the Letter of grant and the ESOP agreement. Such vesting, if approved and granted by the ESOS Administrator, shall be based on such clear pre-determined milestones, prior to the grant of options and informed to the Option Grantee.

**7. EXERCISE, EXERCISE PRICE AND VESTING**

- 7.1 The Option Grantee may, subject to Clause 6 above and fulfillment of the Vesting Conditions, exercise the Vested Options in one or more tranches during the Exercise Period.
- 7.2 The Exercise Price shall in no event be a price that is less than the face value of the Share(s) that will be issued or acquired pursuant to the Exercise of an Option. Payment of the Exercise Price shall be made by a demand draft/ cheque drawn in favor of the Company for an aggregate of the Exercise Price in connection with Vested Options sought to be Exercised by the Option Grantee or in such other manner as the ESOS Administrator may determine from time to time.

- 7.3 The Options granted under the ESOS 2022 shall be settled in Shares. Each Option would entitle the Employee, to acquire 1 Share or such other number of shares adjusted for any consolidation or other reorganization of the capital structure of the Company in terms of Clause 3.3 or otherwise adjusted in terms of Clause 4.2(1) from time to time, as may be determined by the ESOS Administrator pursuant to the provisions of this ESOS 2022. Provided that, in the event of Exercise of Options resulting in fractional Shares, as a consequence of any corporate action, the ESOS Administrator shall be entitled to round off the number of Shares to be issued or acquired to the nearest whole number, and the Exercise Price shall be correspondingly adjusted. All Shares of the Company acquired or allotted consequent to Exercise of Options shall rank *paripassu* with the existing Shares except to the extent set out in the ESOS 2022.
- 7.4 Vesting of Options and issuance or acquisition of Shares pursuant to Exercise of Options shall be subject to the following terms and conditions in addition to the other provisions of the ESOS 2022:
- (a) **While in Employment:** Vested Options can be Exercised as per the prescribed Schedule mentioned in Letter of Grant or as approved by ESOS 2022.
  - (b) **Resignation:** All Vested Options, held as on the date of resignation can be Exercised within one month from the date of resignation. All the Unvested Options on the date of resignation / termination shall stand cancelled with effect from that date.
  - (c) **Termination other than for Cause:** Subject to Clause 6.1 all Vested Options, held as on the date of termination other than for Cause can be Exercised within one month from the date of termination of the services of the Option Grantee. All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
  - (d) **Termination for Cause:** All Vested Options which were not exercised at the time of such termination and all Unvested Options shall stand cancelled with effect from the date of such termination. The ESOS Administrator in its sole discretion shall decide whether an act or omission constitutes a Cause.
  - (e) **Death:** All Vested Options outstanding on the date of death of an Option Grantee may be Exercised by the nominees or legal heir(s) of the deceased Option Grantee within three months from the death of such deceased Option Grantee; provided however that the legal heir(s) and nominees shall be required to provide indemnities in favour of the Company. Further, legal heirs shall produce all documents as may be required by the Company to prove the succession of the assets of the deceased Option Grantee. In case probate or proof of succession is not submitted within three month from the date of death of the deceased Option Grantee or such further time as the ESOS Administrator permits in its absolute discretion, the Vested Options shall lapse and shall be under the sole discretion of ESOS administrator.
  - (f) **Permanent Incapacity:** All Vested Options and Unvested Options outstanding on

the date of Permanent Incapacity of an Option Grantee may be Exercised within three months from the date on which such Option Grantee has suffered a Permanent Incapacity. In the event of death of the Option Grantee before the expiry of Three months from the date of such Permanent Incapacity, the nominees or legal heir(s) of such Option Grantee will be allowed to Exercise all Vested Options of the Option Grantee before the expiry of Three months from the date of death and the provisions of Clause 7.4 (e) above shall be applicable, *mutatis mutandis*.

- (g) **Abandonment:** All Vested Options and Unvested Options which are not exercised at the time of abandonment of employment shall stand cancelled. The ESOS Administrator may in its sole discretion decide whether an act or omission constitutes abandonment of employment.
- (h) **Separation from employment for any other reason apart from those mentioned above:** The ESOS Administrator will decide whether the Vested Options or Unvested Options or both, as on the date of separation, can be Exercised by the Option Grantee or not, and such decision shall be binding and final.

7.5 The Vested Options and the Unvested Options of an Option Grantee who has been suspended from the services of the Company, or to whom a show cause notice has been issued, or against whom an enquiry is being or has been initiated, for any reason whatsoever, including but not limited to, misconduct, violation of the Company's policies, codes of the Company or terms of employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the ESOS Administrator. Options that have been suspended or kept in abeyance may be Vested in the Option Grantee concerned on such additional terms and conditions, as may be imposed by the ESOS Administrator in its absolute discretion. Cancelled Options, if any, shall be treated as lapsed Options and shall be available for issuance to other Employees, as provided under Clause 3.4.

7.6 There will be no up-front fee payable by the Employee at the time of issuance of Options unless otherwise decided by the ESOS Administrator.

## **8. OTHER TERMS AND CONDITIONS**

- 8.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (including the right to receive dividends or vote on any matter) in respect of any Shares covered by the issue of Options unless the Option Grantee Exercises the Vested Options and the Company makes the necessary allotment or recording of the transfer of Shares and the Option Grantee becomes a registered holder of such Shares.
- 8.2 The Options and Shares issued pursuant to Exercise of Vested Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognize any pledge, hypothecation, mortgage or other alienation done in violation

of this condition.

- 8.3 In the event of any change of control or re-structuring of the Company including but not limited to by way of a merger, de-merger, spin-off, reverse merger, etc. or amalgamation of any other entity with the Company, the Options issued may Vest with the Option Grantees at the sole discretion of the ESOS Administrator, which shall not be prejudicial to the Option Grantee. On or immediately prior to the occurrence of any of the aforesaid events, the ESOS Administrator would have the authority to alter all or any of the terms relating to this ESOS 2022 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under Applicable Law.
- 8.4 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee.
- 8.5 The Options shall not be transferable to any person except in the event of death of the Option Grantee in accordance with Clauses 7.4 above.
- 8.6 The Company will not be obliged to issue or allot any Shares consequent to an Exercise of Options unless the issuance and delivery of such Shares complies, in the judgment of the ESOS Administrator, with all the relevant provisions of the ESOS 2022, the Memorandum and Articles of Association and Applicable Law.
- 8.7 The Shares issued in pursuance of the ESOS 2022 shall, at all times, be subject to the provisions of the Memorandum and Articles of Association and Applicable Law. Upon the issuance of Shares, the Shares and the Option Grantees (as shareholders) shall be subject to the rights and obligations under the Memorandum and Articles applicable to the Shares and the Option Grantees (as shareholders).
- 8.8 The Company including Board and ESOS administrator may specify additional terms and conditions in the Grant Letter for the purpose of issue and exercise of ESOP shares.
- 8.9 APPLICABILITY OF SEBI REGULATIONS TO ESOS 2022 ON LISTING OF ITS SECURITIES:**
- 8.9.1. In the event that the Shares of the Company are listed on any recognized stock exchange, the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any other Regulations as applicable shall be deemed to be applicable to the underlying Shares issued pursuant to ESOS 2022.
- 8.9.2. The Company shall ensure that it obtains the necessary statutory and regulatory approvals from relevant authorities including the SEBI, the relevant stock exchanges and necessary approval of the members within one year of the listing of its securities, before granting any options under ESOS 2022.
- 8.9.3. The Company shall obtain necessary members and regulatory approvals from all authorities,

for issue of any Shares pursuant to this ESOS 2022, after the listing of its securities on the stock exchanges.

- 8.9.4. Under SEBI (Prohibition of Insider Trading) Regulations, 2015, (**SEBI PIT Regulations**) exercise of ESOPs shall not be considered to be “trading” except for the purposes of Chapter III of the SEBI PIT Regulations and the employees and option grantees undertake to comply with all the necessary provisions of the SEBI PIT Regulations, on its applicability to the Company.
- 8.9.5. The Company shall not make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to its IPO and prior to the listing of its equity shares (‘pre-IPO scheme’) unless:
- (i) Such pre-IPO scheme is in conformity with these regulations; and
  - (ii) Such pre-IPO scheme is ratified by the Shareholders subsequent to the IPO.

Provided that the ratification under clause (ii) may be done any time prior to grant of new options or shares under such pre-IPO scheme.

## **9. TRANSFERABILITY OF SHARES**

The restrictions on transferability of the Shares as contained in the Memorandum and Articles of Association will apply to all Shares issued, allotted or acquired on Exercise of the Options. Each Employee who is a shareholder of the Company is required to adhere to the Memorandum and Articles of Association and Applicable Law and the Company's policies while dealing with the Shares or exercising any rights thereunder. In particular, each Employee and the ESOS Administrator shall ensure that there is no violation of Applicable Law, the Memorandum and Articles of Association and the Company's policies.

## **10. LOCK-IN PERIOD**

Subject to Clause 7.4 above and any terms agreed upon with an Employee, no Option Grantee will be entitled to transfer the Shares, which may be issued, allotted or acquired on Exercise of the Options issued pursuant to the ESOS 2022 to any third party until completion of lock in period as mentioned in the Letter of Grant.

## **11. TAX LIABILITY**

- 11.1. The benefits conferred in terms of the ESOS 2022 shall be taxable in the hands of the Option Grantees based on present and future provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof (the said **Act**) or as separately determined by the relevant tax authorities from time to time including provisions relating to perquisite tax. In accordance with the provisions of the said Act, the Company shall have the right to deduct at source any applicable taxes, in connection with the ESOS 2022 or the Shares issued, or sold to the Option Grantees pursuant to an Exercise of Vested Options (**Applicable Taxes**), arising in the hands of the Company or of the Option Grantees, from the salary income of

the Option Grantees or to take any such other action as may be necessary in the opinion of the ESOS Administrator to satisfy all its obligations for the payment of such taxes including but not limited to requiring the Option Grantee to deposit the amount of the Applicable Taxes with the Company before issuing or transferring the relevant Shares to such Option Grantee.

- 11.2. The liability of paying tax, if any, in connection with the ESOS 2022 or the Shares acquired by the Option Grantees pursuant to an Exercise of Vested Options shall be entirely on the Option Grantees and shall be in accordance with the provisions of the said Act and the rules framed there-under. If Option Grantees are residents in a territory outside India, the tax laws applicable to such territory shall also be taken into consideration by the Company. In the event of any amendments or modifications to the provisions of the said Act, the ESOS Administrator shall have the power to amend or modify this ESOS 2022, without any notice to the Employees, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the said Act and the rules framed there-under had not been made.

## **12. AUTHORITY TO VARY TERMS**

Subject to Applicable Law, the ESOS Administrator shall in its absolute discretion have the right to modify, amend or cancel the ESOS 2022 in such manner and at such time or times as it may deem fit, provided approvals wherever required for such modification, amendment or cancellation is obtained from the shareholders of the Company. Any modification/variations will, subject to Applicable Law, require the prior approval of the shareholders by way of a special resolution.

## **13. MISCELLANEOUS**

- 13.1 This ESOS 2022 and the issuance of any Options or acquisition of any Shares pursuant to the Exercise of any Options shall be subject to all Applicable Law, and approvals from governmental authorities, if any.
- 13.2 The inability of the Company to obtain an approval from any regulatory body having jurisdiction over the Company, or under any Applicable Law, 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.
- 13.3 The issue of an 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 Option granted to him or her.
- 13.4 Neither the existence of ESOS 2022 nor the fact that an individual has on any occasion been granted an Option give such individual any right or entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in the ESOS 2022 for grant of further Options on any other occasion or under any other employee stock option

scheme.

- 13.5 The rights granted to an Option Grantee on the issue of an 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).
- 13.6 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 Option in whole or in part.
- 13.7 Nothing contained in this ESOS 2022 or in any issue of Option made shall:
- (a) confer on any Employee any right with respect to continuation of employment or engagement with the Company, or
  - (b) interfere in any way with the right of the Company to terminate the employment or services of any Employee at any time.
- 13.8 Neither the adoption of the ESOS 2022 nor any action of the ESOS Administrator shall be deemed to give an Option Grantee or an Employee any right to be issued any Option or to any other rights. The issuance of Option shall be evidenced by the acceptance of a Letter of Grant by the Employee and the execution of an Employee Stock Option Agreement.
- 13.9 Participation in this ESOS 2022 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the price of the Shares and the risks associated with the investments is that of the Employee or the Option Grantee alone.

#### **14. CONFIDENTIALITY**

Employees and Option Grantees shall keep the details of the Options issued to them strictly confidential and shall not share or disclose the said details with or to any other person or third party. In case of non-adherence to the provisions of this Clause the ESOS Administrator will have the authority to deal with such cases as it may deem fit in its absolute discretion.

#### **15. METHOD USED FOR VALUING OPTIONS**

The method used for the valuation of options is the net asset value (NAV) methodology or DCF method or any other acceptable method of valuation, as per Applicable Law.

Pursuant to the listing of shares of the Company, the manner of valuation shall be as per the provisions of SEBI (SBEB) Regulations, as applicable to the Company from time to time.

#### **16. CONFORMANCE TO THE ACCOUNTING POLICIES**

The Company shall for the purposes of implementation of this ESOS 2022, conform to the

relevant accounting policies prescribed by Applicable Law.

**17. NO RESTRICTION ON CORPORATE ACTION**

The existence of the ESOS 2022 and the Options issued thereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorize any change in its capital structure; including any issue of shares, debt or other securities having any priority or preference with respect to the shares or the rights thereof or from making any Corporate Action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOS 2022 or any issue of Options made under the ESOS 2022. No Employee or other person shall have any claim against the Company as a result of such Corporate Action.

**18. NEW SCHEMES**

Nothing contained in the ESOS 2022 shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any other new scheme for granting stock options and share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOS 2022 or any issue of Options made under the ESOS 2022. No Employee or other person shall have any claim against the Company or any trust set up by the Company, as a result of such action.

**19. NOTICES**

All notices or communication required to be given by the Company to an Option Grantee by virtue of this ESOS 2022 shall be either in writing or by electronic mode and shall be sent to the last known address or email Id of the Option Grantee available in the records of the Company or in such other manner as the ESOS Administrator may resolve and any communication to be given by an Option Grantee to the Company in respect of the ESOS 2022 or any Option issued under the ESOS 2022 shall be sent to the address mentioned below or such other address as the Company may intimate to the Option Grantees or the Employees, as the case may be:

**Name: Hardeep Singh**

Designation: Managing Director

Address: D-234, Sector – 63, Noida, PIN - 201301

**20. SEVERANCE**

In the event of any term, condition or provision of this ESOS 2022 being held to be a violation of or contrary to any Applicable Law, the same shall be severable from the rest of this ESOS 2022 and shall have no force and effect and this ESOS 2022 shall remain in full force and effect as if such term, condition or provision had not originally been contained in

Adopted by the Board: 14<sup>th</sup> September 2022

this ESOS 2022.

## **21. GOVERNING LAW AND JURISDICTION**

The terms and conditions of the ESOS 2022 shall be governed by and construed in accordance with the laws of India. The courts of New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in connection with this ESOS 2022. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOS 2022 in any other court of competent jurisdiction or concurrently in more than one jurisdiction.