SAATVIK GREEN ENERGY LIMITED
EMPLOYEE STOCK OPTION SCHEME-2024

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1. Introduction:

1.1 This Scheme shall be called as Saatvik Green Energy Limited Employees Stock Option Scheme – 2024 *("hereinafter referred as* ***"Scheme").***

1.2 The Scheme was approved by the Nomination and Remuneration Committee and Board of Directors of the Company on October 29, 2024 and October 29, 2024 respectively.

1.3 The Scheme shall be effective from October 29, 2024 i.e., the date of Shareholders' approval**.**

2. Term of the Scheme:

2.1 The Scheme shall continue in effect unless **(i)** terminated by the Board of Directors; or **(ii)** the date on which all of the Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.

2.2 Any such termination of the Scheme shall not affect Options already granted and the powers of the Committee in relation to such Options, shall remain in force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee/ Nominee /Legal heirs and the Company.

3. Purpose of the Scheme:

3.1 To **reward** the Employees for their association and performance.

3.2 To **motivate** the Employees to contribute to the growth and profitability of the Company.

3.3 To **motivate** the Employees with incentives and reward opportunities for better performance.

3.4 To **retain** the Employees for the growth of the Company.

3.5 To **increase the quality of** life of hard working, high performing, honest and loyal Employees, and their families.

3.6 Bringing a **sense of association** with the Company and its growth.

4. Definitions:

In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings as indicated there against.

4.1 **"Abandonment"** means the absence of an Employee from work for a period of 30 days or more without having communicated to the Employer any reason of absence.

4.2 **"Applicable Law"** means every law relating to Options in force, including, without limitation to the Companies Act, 2013, the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as may be applicable and all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including, the SEBI LODR Regulations, all the relevant revenue, tax, or corporate laws of India, to the extent applicable, as amended from time to time. The applicable law includes any provision of the applicable rule(s), regulation(s), notification(s), circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.

4.3 **"Board of Directors"** means the Board of Directors of the Company and includes any Committee constituted by the Board of Directors during the currency of the Scheme for implementation and administration of the scheme.

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

4.5 **"Cessation Date"** the last working day of employment in the Company/Subsidiary Company.

4.6 **"Committee" or "NRC"** means Nomination and Remuneration Committee of the Company as constituted by the Board of Directors for the purpose of administering and superintending and implementing the Scheme.

(Upon listing, the NRC shall act as a Compensation Committee for implementation and administration of the Scheme as per SEBI (SBEB & SE) Regulations, 2021).

4.7 **"Company"** means Saatvik Green Energy Limited a company registered in India under the provisions of the Companies Act, 2013, having CIN: L40106HR2015PLC075578 having registered office at Village Dubli, V.P.O. Bihta, Tehsil Ambala, Haryana- 133101 and includes present and future Subsidiary Company in or outside India, of the Company.

4.8 **"Corporate Action"** means a change in the capital structure of the Company as a result of:

(a) bonus issue, right issue, stock split/sub-division of Shares or consolidation of Shares.

(b) merger, de-merger, reconstitution, spin-off, consolidation, amalgamation, reclassification of capital.

4.9 **"Director"** shall have the same meaning as defined under Section 2(34) of the Companies Act, 2013, as amended from time to time.

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

4.11 **"Employee"** means:

(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; but excluding an Independent Director; or

(c) an Employee as defined in sub clause (a) or (b), of a Group Company including its Subsidiary 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 10% (ten percent) of the outstanding Equity Shares of the Company.

4.12 **"Exercise"** means submission of an Exercise Application in such manner and on such format as prescribed by the Committee, from time to time, by the Grantee to the Committee for issue/ allotment of Shares of the Company, to such Grantee against his Vested Options in accordance with the Scheme, on payment of Exercise Price, applicable taxes or other charges, if any

4.13 **"Exercise Application"** means a written or electronic letter submitted by the Grantee to the Committee for exercising the number of Vested Options, in the mode and manner as prescribed by the Committee and in accordance with the provisions of the Scheme.

4.14 **"Exercise Period"** means the time period after Vesting within which a Grantee can Exercise his right to apply for Shares against the Vested Options in accordance with procedure set out in the Scheme.

4.15 **"Exercise Price"** means the price payable by the Grantee for exercising the Options vested in him in pursuance to the Scheme**.**

4.16 **"Exercise Window"** means a period as may be decided by the Committee within which Vested Options can be exercised within the overall Exercise Period and shall be intimated by the Committee from time to time.

4.17 **"Fair Market Value"** *shall be referred to the term "**Market Price**" as defined in this Scheme.*

4.18 **"Fresh Allotment**" means issuance of new Shares by the Company to the Grantee upon the Exercise of Options granted under the Scheme.

4.19 **"Grant"** means the process by which the Company issue of Options to the Grantee under the Scheme**.**

4.20 **"Grant Date"** means the date of the meeting of the Committee on which Grant of Options to the Employees is approved.

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

4.21 **"Grant Letter"** means the written or electronic letter issued by the Company to a Grantee setting forth the terms and conditions applicable to a Grant to the Grantee under the Scheme.

4.22 **"Grantee"** shall mean an Eligible Employee to whom Options have been granted under the Scheme and a Grant Letter has been issued as per the terms and conditions of this Scheme.

4.23 **"Group"** means two or more companies which, directly or indirectly, are in a position to—

i. exercise twenty-six per cent. or more of the voting rights in the other Company; or
ii. appoint more than fifty per cent. of the members of the Board of Directors in the other Company; or
iii. control the management or affairs of the other Company**.**

4.24 **"Independent Director"** shall have the same meaning as defined in section 2(47) of the Companies Act, 2013 and/ or SEBI LODR Regulations, as amended and as may be applicable from time to time.

4.25 **"Initial Public Offer or IPO"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

4.26 **"Long Leave"** means an approved leave taken by the Grantee for a period of more than 3 (three) months out of 12 (twelve) months starting from the date of Grant / Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a statutory leaves as per the Applicable Laws/Company Policies including the maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included in calculating the Long Leave unless otherwise determined by the Committee.

4.27 **"Management Committee"** refers to and includes the Managing Director, Chief Executive Officer and Chief Financial Officer.

4.28 **"Market Price"** shall mean 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 Recognized Stock Exchange, then the closing price on the Recognized Stock Exchange having higher trading volume shall be considered as the Market Price.*

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

4.30 **"Option /Employee Stock Option"** 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.

4.31 **"Permanent Incapacity"** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents 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 as identified by the Company.

4.32 **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**;** as amended from time to time.

4.33 **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

4.34 **"Relative"** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time**.**

4.35 **"Relevant Date"** means (i) in case of Grant, the date of the meeting of the Committee on which the Grant is made; and (ii) in case of Exercise, the date on which the notice of Exercise is given to the Company by the Employee.

4.36 **"Scheme"** shall mean Saatvik Green Energy 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.

4.37 **"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.

4.38 **"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.

4.39 **"Shares"** means Equity Shares of the Company.

4.40 **"Stock Exchange or Recognised Stock Exchange"** means the National Stock Exchange of India Limited, BSE Ltd, or any other Recognised Stock Exchange in India on which the Company's Shares to be listed in future and shall have the same meaning attributed to it under Securities Contracts (Regulation) Act, 1956, as amended.

4.41 **"Subsidiary"** shall have the same meaning as defined in section 2(87) of the Companies Act, 2013, as amended from time to time.

4.42 **"Unvested Options"** means Options which are not vested.

4.43 **"Vested Options"** means Options which have vested in pursuance to the Scheme and has thereby become exercisable.

4.44 **"Vesting"** means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him under the Scheme.

4.45 **"Vesting Date"** means the date on and from which the Options vests with the Grantees**.**

4.46 **"Vesting Period"** means the period during which the Vesting takes place.

4.47 **"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, Companies Act, 2013 as applicable from time to time.*
- ***e)*** *Article 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. Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution, or re-enactment thereof.*

5. Implementation & Administration:

5.1 The Scheme shall be implemented through a direct route for extending the benefits to the Eligible Employees by way of fresh allotment by the Company.

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.

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

5.3 Subject to Applicable Law, the Scheme shall be administered by the Committee which may delegate some or all of its administrative duty(ies) and/or power(s) to any other sub-committee(s) as constituted by the Board of Directors or person(s) for proper administration of the Scheme.

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

5.5 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).

5.6 The Committee shall subject to applicable law, inter alia, have powers to do the following with regard to the Scheme:

5.5.1 To identify the Employees eligible to participate in the Scheme.
5.5.2 To finalize the Eligibility Criteria(s) for Grant of Options.
5.5.3 To determine the Eligible Employees qualified for Grant of Options.
5.5.4 To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme.
5.5.5 To decide upon granting of Options to new Joinees.
5.5.6 To Grant of Options to one or more eligible Employees.
5.5.7 To extend the period of acceptance of grant.
5.5.8 To calculate and decide the Exercise Price.
5.5.9 To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme.
5.5.10 To determine the Vesting Schedule for each Grantee.
5.5.11 To finalize the performance criteria(s) for Vesting of Options.
5.5.12 To determine the Grantees eligible for Vesting of Options.
5.5.13 To determine the conditions under which Options may vest in Employees and may lapse in case of termination of employment for misconduct.
5.5.14 To decide upon the mode and manner of Exercise.
5.5.15 To decide upon re granting of the Options which were lapsed, forfeited, or surrendered under any provisions of the Scheme from re granting.
5.5.16 To determine the time period within which the Employee shall Exercise the Vested Options in the event of termination and Resignation.
5.5.17 To decide upon treatment of vested and Unvested Options in cases of cessation of employment as specified in the Scheme.
5.5.18 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.
5.5.19 To determine the Grant, Vesting and Exercise of Options for Employees on Long Leave.
5.5.20 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 Action such as rights issues, bonus issues and others. In this regard, the following shall, *inter alia,* be taken into consideration by the Committee:

a. the number and/or price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action.

b. the Vesting Period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantees who have been granted such Options.

5.5.21 To accelerate the Vesting of Options on a case – to – case basis, subject to completion of minimum 1 year from the date of grant.

5.5.22 To determine the procedure for funding the Exercise of Options.

5.5.23 To decide upon treatment of vested and Unvested Options in cases of dispute between the Grantee and Company.

5.5.24 Subject to the shareholders' approval, the Board/Committee can:

a. To increase the pool of Options and Shares to be granted under the Scheme.

b. To reprice the Exercise Price of the Options which are not exercised, whether or not they have been vested if the Options are rendered unattractive due to a fall in the value of the Shares.

5.5.25 To finalize letters and other documents, if any, required to be issued under the Scheme.

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

5.5.27 To determine or impose other conditions for the administration of the Scheme, as it may deem appropriate.

5.5.28 To determine the procedure for buy-back of Options Granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Law.

5.5.29 To appoint such agents as it shall deem necessary for the proper administration of the Scheme.

5.5.30 Subject to the Applicable Law, make any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Grantees of the Company.

5.7 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 that 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.

5.8 A member of the Board of Directors/ Committee shall abstain from participating in and deciding on any matter relating to the Grant of any Options to himself.

6. Pool of the Scheme:

6.1 The maximum number of Options that may be granted in one or more tranches, pursuant to this Scheme shall not exceed 22,40,940 (Twenty-Two Lakhs Forty Thousand and Nine Hundred and Forty) Options, which shall be convertible into 22,40,940 (Twenty-Two Lakhs Forty Thousand and Nine Hundred and Forty) Equity Shares having face value of Rs. 2/- each.

6.2 If any Options granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, shall be added back to the pool and such Options shall be available for further Grant under the Scheme unless otherwise determined by the Committee, in accordance with Applicable Law.

6.3 Further, the maximum number of Options that can be granted and the Shares that arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.

6.4 Subject to the shareholders' approval, the Company reserves the right to increase such a number of Options and Shares as it deems fit, in accordance with the Applicable Law.

7. Eligibility Criteria:

7.1 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 and the terms and conditions thereof.

- ✓ **Loyalty:** It will be determined on the basis of tenure of employment of an Employee in the Company/ Group/ Subsidiary Company.
- ✓ **Performance of Employee:** Employee's performance during the financial year on the basis of the parameters decided by the Company/ Group/ Subsidiary Company.
- ✓ **Performance of Company:** Performance of the Company/ Group/ Subsidiary Company as per the standards set by the Committee.
- ✓ **Criticality of the Employee.**
- ✓ Any other criteria as decided by the Committee from time to time.

7.2 The Employees satisfying the Eligibility Criteria shall be termed as Eligible Employee.

7.3 New joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

7.4 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/ Group/ Subsidiary Company or interfere in any way with the right of the Company/ Group/ Subsidiary Company to terminate the Employee's employment at any time.

8. Grant of Options:

8.1 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, and other parameters as set out by the Committee.

8.2 Grant of Options to the Employees of a Group/ Subsidiary Company shall be made subject

to the approval of the Shareholders of the Company by way of a separate special resolution in accordance with Applicable Law.

8.3 Subject to 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 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 as per Applicable Law.

8.4 The Grant of Options shall be communicated to the Eligible Employees in writing through Grant Letter specifying the number of Options granted, Exercise Price, Vesting Schedule, Vesting Date, and other terms and conditions thereof.

8.5 Upon Grant, an Eligible Employee shall become Grantee under the Scheme.

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

8.7 The Grantee is not required to pay any amount at the time of the Grant of Options.

8.8 The Options granted shall not be transferable to any other person or organization.

8.9 The Options granted shall not be pledged, hypothecated, mortgaged, or otherwise encumbered or alienated in any other manner.

8.10 The Options granted, whether vested or unvested, shall not have any voting or other rights.

9. Method of Acceptance:

9.1 Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter to the Committee or any of its authorized representatives as specified in the Grant Letter within 30 (Thirty) days from the date of receipt of the Grant Letter. The Committee may extend the said period of 30 (Thirty) days for such duration as it may deem fit for the benefits of the Grantees.

9.2 Any Grantee who fails to deliver 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 and the Company is not liable to pay any such amount on such rejection.

9.3 The Grantee is not required to pay any amount at the time of acceptance of the Grant.

9.4 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 Options shall, on such acceptance, be an Unvested Options.

10. Vesting of Options:

10.1 Vesting Period shall commence from the Grant date and shall be minimum of 1 (One) year from the Grant date, and it may extend up to maximum of 5 (Five) years from the Grant date, at the discretion of and in the manner prescribed by the Committee.

10.2 The Vesting Schedule, Vesting Percentage and Other Vesting Conditions shall be communicated by the Committee to the Grantees in the Grant Letter of respective Grantees, subject to minimum and maximum Vesting Period as specified in Clause 10.1.

10.3 In continuation to clauses 10.1 and 10.2 the Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

10.4 The actual Vesting of Options shall be subject to the continued employment of the Grantee and further linked with the achievement of performance condition or such other criteria as may be determined by the Committee and mentioned in the Grant Letter.

10.5 The Options not vested during any year due to non – fulfilment of performance conditions as mentioned in the respective Grant Letters of the grantees will be rolled over to next year in the hands of the Grantee, as per the discretion of the Committee and subject to maximum Vesting Period. The Committee shall at its absolute discretion decide the number of Options to be rolled over in the next year of Vesting, % of Target to be considered for Vesting of Options for that year & % of Options to be vested as per the Vesting Schedule. Accordingly, in the last Vesting, the Options not vested due to non – fulfilment of performance conditions shall lapse from the hands of the Grantee and any remaining Options which are unvested subject to roll over shall be deemed lapsed and will be added back to the pool of Options.

10.6 Further any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options *(other than the last tranche of Vesting),* then the Options to be actually vested, be rounded off to 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.

10.7 The Committee shall have the power to modify or accelerate the Vesting schedule on a case–to–case basis subject to the minimum gap of 1 (One) Year between the Grant and first Vesting, provided that such modification is not detrimental to the interest of the Grantee.

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

10.9 The Vesting of Options shall be communicated to the eligible Grantees in writing through Vesting Letter.

11. Exercise Price:

11.1 Under this Scheme, the Exercise Price will be decided by the Committee on the basis Market Price as defined in the Scheme.

11.2 The Committee has the power to provide a suitable discount on such price as arrived above, upon considering the sufficient justification and rationale from the Management Committee. In certain cases, the Committee may set a lower exercise price for specific Employees based on Management Committee recommendations with proper rationale.

Notwithstanding these provisions, the Exercise Price shall, under no circumstances, be set below the face value of the Company's Shares, ensuring compliance with all Applicable Laws.

11.3 The aggregate Exercise Price payable at the time of Exercise shall be paid by a Cheque, NEFT, or electronic payment, or deduction from Employee's salary or by a demand draft drawn in the name of the Company.

11.4 The tax amount arising at the time of Exercise of Options shall be payable by the Grantee at the time of Exercise by a Cheque, NEFT or electronic payment or deduction from Employee's salary, or by a demand draft drawn in the name of the Company.

12. Exercise of Options:

12.1 The Options can be exercised either wholly or partly, during the Exercise Window within an overall Exercise Period of upto 3 (Three) 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.

12.2 For clause 12.1, Exercise Window within which Vested Options can be exercised shall be opened as per timeline as may be decided and intimated by the Committee from time to time.

12.3 The Grantee may avail the financing facility if provided by the Company or permit the Grantee to avail financing through empaneled stockbrokers for the payment of Exercise Price, the amount necessary to meet his/her tax obligations and other charges, if any. In such a case, allotment of Shares shall be made only after the receipt of Exercise Application, Exercise Price, applicable taxes and other charges, if any.

12.4 Upon valid Exercise *(receipt of Exercise Application along with Exercise Price, applicable taxes and other charges, if any)* the Grantee will receive requisite number of Shares by the Company via Fresh Allotment, equivalent to the number of the Options so exercised i.e., for every one Option the Grantee exercises will entitle him/her to receive one share in accordance with the terms and conditions of the Scheme.

12.5 Failure to comply within the above 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. The amount paid by the Employee, if any, for the Exercise of Options may be refunded, if the Options are not Exercised by the Employee within the Exercise Period.

12.6 Notwithstanding anything contained elsewhere in the Scheme, the Company may not allot Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, misconduct, moral turpitude, gross negligence, breach of trust, breach of employment or employment related contracts or like event(s) and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim against the Company by the Grantee, without any recourse to the Grantee.

12.7 In case if there is an alleged fraud, misfeasance, misconduct, moral turpitude, gross negligence, breach of trust, breach of employment or employment related contracts or like event(s) on part of Grantee and the proceedings are underway in form of any police investigations or in any court of law, then the time period of Exercise of Options shall pause for such Grantee and shall resume post clearance only.

12.8 If the Vesting or Exercise of Options is prevented by any law or regulation in force and the Company is forbidden to allot Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company or the Committee shall not be liable to compensate the Grantee in any manner whatsoever.

12.9 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 or the Committee shall not be liable to compensate the Grantee in any manner.

13. Cessation of Employment:

13.1 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 such number of days as communicated by the Committee up to a period of 1 (One) year from the date of death, failing which all the unexercised

Options shall lapse irrevocably and the rights there under shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.

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 its discretion waive off the requirement to submit any of the documents.

In case Nominee is not appointed

- ✓ Copy of the Succession Certificate/ Probate of Will/ Letter of administration.
- ✓ Photocopy 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)
- ✓ Any other data / details / document as the Committee may deem fit.

In case Nominee is appointed

- ✓ Photocopy 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)
- ✓ Any other data / details / document as the Committee may deem fit.

13.2 In the event of cessation of employment due to Permanent Incapacity:

All Options granted to Grantee as on date of Permanent Incapacity would vest in him/her on that day. The Options would be exercisable by the Legal Heirs / Nominee within by the Committee up to a period of 1 (One) year from the date of Permanent Incapacity, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.

All other terms and conditions of the Scheme shall apply to such Options.

13.3 In the event of cessation of employment due to Resignation or Termination *(not due to misconduct or ethical/ compliance violations)*:

a) All Unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date.

b) All Vested Options as on that date shall be exercisable by the Grantee by the last working day in the Company or before the expiry of the Exercise Period as per Scheme whichever is earlier. The Vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished irrevocably and the rights thereunder shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.

13.4 In the event of cessation of employment due to Retirement/ Superannuation:

a) All Unvested Options granted to Employee would continue to vest in accordance with the respective vesting schedules, even after retirement or superannuation in accordance with the Company's Policies and the Applicable Law.

b) All Vested Options as on that date shall be exercisable by the Grantee within the overall Exercise Period as per Scheme, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.

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

If a Grantee is terminated due to misconduct or ethical/ compliance violations, all Options granted whether vested or not shall stand terminated with immediate effect.

13.6 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.

13.7 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 the transfer or deputation of such Grantee.

13.8 In the event of **Abandonment of service by a 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.

13.9 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.

13.10 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, to the satisfaction of the Committee.

13.11 The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 13.1 to 13.10, in accordance with the terms and conditions of the Scheme.

14. Foreign Exchange Laws

In case any Options are granted to any Employee, being person resident outside India, the provisions of the Foreign Exchange Management Act, 1999 and the rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vesting and Exercise of Options thereof.

15. Certificate from Secretarial Auditors

Once the Company is listed, the Board shall at each annual general meeting place before the Shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the Applicable Law and in accordance with the resolution of the Company in the general meeting.

16. Lock in Period

16.1 The Shares so allotted pursuant to the Exercise of Options will not be subject to any lock in period from the date of allotment.

17. Other terms and conditions:

17.1 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 Grantee exercises the Options and becomes the registered Shareholder of the Company.

17.2 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 an Options in whole or in part.

17.3 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.

17.4 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 the above, if applicable.

18. Notices and correspondence:

18.1 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, if any.

18.2 Any notice, required to be given by the Company / Committee to a Grantee or any correspondence to be made between the Company/ Committee and a Grantee shall be given or made by the Company/Committee at the address in the records of the Company or at the official email id of the Grantee.

19. Nomination of Beneficiary:

19.1 Each Grantee under the Scheme is required to nominate, from time to time, any person 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.

20. Corporate Action:

20.1 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.

20.2 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 Law, 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.

20.3 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.

20.4 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.

21. Disclosure and Accounting Policies:

21.1 The Company shall comply with the disclosure and accounting policies as prescribed by appropriate authority from time to time under the provisions of the Companies Act, 2013 and/ or SEBI (SBEB & SE) Regulations and other Applicable Law. The Company shall comply with the requirements of applicable ICAI Guidance Note on Accounting for Employee Share-Based Payments Guidance)/IND – AS and shall use fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

21.2 Compensation costs will be booked in the books of accounts of the Company over a Vesting Period.

22. Taxability on the Grantee:

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

There would be a double point of Taxation on the Employee:

Point 1: Perquisite Taxation: At the time of Exercise, the difference between the Fair market price of the Shares as on date of Exercise of the Options and the Exercise Price will be added as a perquisite under salary in the month of exercise. as a perquisite under salary in the month of Exercise, as per **Section 17(2)(vi)** of the Income Tax Act, 1961. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.

The applicable taxes will be based on the individual's income tax slab, and the tax will be deducted at source (TDS) by the employer under **Section 192** of the Income Tax Act.

Additionally, **Rule 3(8)** of the **Income Tax Rules, 1962** provides the method for determining the value of the perquisite in the case of ESOPs.

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 Capital Gain Tax under the Income Tax Act, 1961, at the time of sale of the Shares.

Gains from equity Shares held for 24 months or less, are classified as **Short-Term Capital Gains** and taxed at normal slab rates applicable to the taxpayer.

Gains from equity Shares held for more than 24 months are treated as Long-Term Capital Gains and fall under the provisions of Section 112A of the Income Tax Act, 1961.

Note: The income tax provisions shall be applicable as per current regulations and norms.

23. Surrender of Options:

23.1 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.

24. Dispute/ Arbitration:

24.1 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.

24.2 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.

24.3 The arbitration proceedings shall be held in Gurgaon India 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 in English, 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 Ambala, Haryana.

24.4 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.

25. Governing Law:

25.1 This Scheme and all related documents thereunder shall be governed by and construed in accordance with the Applicable Law of India.

25.2 Any term of the Scheme that is contrary to the requirement of any Applicable Law shall not apply to the extent it is contrary.

25.3 The Courts at Ambala, Haryana, India shall have exclusive jurisdiction on any matter arising out of this Scheme.

26. Regulatory Approvals:

26.1 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.

26.2 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.

27. Modification of Scheme:

27.1 Subject to the Applicable Law, the Committee may, at any time:

a) 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.

b) 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.

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

28. Confidentiality:

28.1 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 Law or any statutes or regulations applicable to such Grantee. Employees shall keep the details of the Options Granted to them strictly confidential and shall not share or disclose the said details with or to any other Employee. In case of non-adherence to the provisions of this Clause, the Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion.

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