

**SPENCERS RETAIL LIMITED**  
**Employee Stock Option Plan (ESOP) 2019**

## A. Salient features of the Scheme

This Employee Stock Option Plan 2019 (hereinafter referred to as “**ESOP 2019**” or “**Scheme**”) is pursuant to and under the authority granted in terms of approval by the shareholders at the Annual General Meeting of the Company to be held on 19<sup>th</sup> July, 2019 and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 and Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“Circular”) issued by Securities and Exchange Board of India (“**SEBI**”). Wherever applicable, the Scheme shall be in accordance with the regulations prescribed by Securities and Exchange Board of India (SEBI) and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to all Employees (as defined herein below). The Committee and/or the Compensation Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors. Please read the Scheme carefully. The contents of this Scheme and any Award or other documents related to or arising from or in connection with this Scheme are confidential and it is a term of Grant of Options that any portion of such documents/information should not be discussed with or revealed to others.

It shall be deemed to have come into force on the date of approval of scheme.

### 1. Definitions and Interpretations

- 1.1 The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.
- (a) “**Award**” or “**Award Agreement**” means a written award agreement between an Employee and the Company, confirming the grant of Stock Options or Options and evidencing the terms and conditions upon which they may be exercised and sold;
  - (b) “**Board**” means the board of directors of the Company;
  - (c) “**Cause**” shall mean, as determined by the Committee, (i) engaging by an Employee in wilful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of an Employee in any other organisation or provision of services by an Employee for any other organisation, or (v) any other

reason which is determined by the Committee to be detrimental to the interest of the Company.

- (d) **“Company”** means SPENCERS RETAIL LIMITED bearing CIN [L74999WB2017PLC219355.] and having its registered office at [Duncan House, 31, Netaji Subhas Road, Kolkata-700 001.];
- (e) **“Corporate Action”** means one of the following events:
  - (i) rights / bonus issue;
  - (ii) reorganization of the Shares;
  - (iii) restructuring of the share capital of the Company;
  - (iv) Other reorganization of the Company in which the Shares are converted into or exchanged for:
    - (a) a different class of securities of the Company, or
    - (b) any securities of any other issuer, or
    - (c) cash, or
    - (d) other property;
  - (v) Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;
  - (vi) Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- (f) **“Eligible Employee”** means an Employee who qualifies for issue of Options under this Scheme, based on the annual appraisal process and who is nominated by the Committee at its sole discretion as being eligible for issue of Options.
- (g) **“Employee”** means
  - 1. a permanent employee of the Company who has been working in India or out of India; or
  - 2. a director of the Company, whether a whole-time director or not but excluding an independent director, who is permitted to receive Stock Options as per Applicable Law; or

3. a permanent employee or director of a Subsidiary, in India or outside India, or of the Holding company of the Company but does not include:
- (e) an employee who is a Promoter or a person belonging to the Promoter Group of the Company; or
  - (f) a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten per cent of the outstanding Shares of the Company
- (h) **“Exercise” means**, making of a written application by an Employee to the Company or to the Trust for issue of shares against Stock Options Vested in pursuance of ESOP 2019;
- (i) **“Exercise Period” means** the time period after Vesting within which the Grantee should exercise his/her right to apply for Shares against the Options vested in him/her. In case the Grantee does not exercise the Options during the Exercise Period, they will lapse and no rights will accrue after that date. The Exercise Period shall be specified in the Letter of Grant to a Grantee.
- (j) **“Exercise Price” means** the price, if any, payable by the Grantee for Exercising the Stock Options granted to him/her in pursuance of ESOP 2019 as may be determined by the Nomination & Remuneration Committee.
- (k) **“Grant” means** the process by which the Company issues Stock Options to a Grantee under ESOP 2019;
- (l) **“Grant Date” with respect to any Stock Options means the date on which the Nomination & Remuneration Committee approves the Grant of such Stock Options pursuant to ESOP, 2019.**
- (m) **“Grantee” means** an Eligible Employee who has been granted Stock Options under the Scheme and who has signed his acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in the Scheme;
- (n) **“Holding Company” shall have the meaning ascribed to under the Companies Act, 2013;**
- (o) **“Committee” means** the Compensation Committee of the Board of Directors constituted as per the SEBI (Share Based Employee Benefits) Regulations, 2014 and/or the Nomination & Remuneration Committee of the Board of Directors of the Company;

- (p) **“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;
- (q) **“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;

Provided where the Promoter or Promoter Group of a company is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of such company;

- (r) **“SEBI”** shall mean Securities and Exchange Board of India;
- (s) **“SEBI Circular”** shall mean Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 issued by Securities and Exchange Board of India
- (t) **“SEBI Regulations”** means SEBI (Share Based Employee Benefits) Regulation, 2014;
- (u) **“Secondary Acquisition”** means acquisition of existing shares of the company by the way the trust on the platform of a recognized stock exchange for cash consideration
- (v) **“Shares”** mean equity shares of the Company of a face value of Rs. 5.00 each and securities convertible into equity shares and shall include depository receipts representing underlying equity shares or **securities** convertible into equity shares of the company;
- (w) **“Stock Option”** or **“Option”** means a stock option granted pursuant to this Scheme to the Employees, which gives such Employee the benefit or right (but not an obligation) to apply for and be allotted Equity Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting and subject to and in accordance with the terms and conditions of grant set out in the Letter of Grant and the Scheme, each as amended or modified from time to time. Each Stock Option granted would represent the right to apply for 1 (one) Share of the Company.
- (x) **“Subsidiary”** means any present **or** future subsidiary as defined under the Companies Act, 2013;
- (y) **“Trust”** means a trust established under the provisions of Indian Trusts Act, 1882 including any statutory **modification** or re-enactment thereof.
- (z) **“Trustee”** means the trustee of the trust

- (aa) **“Vesting”** means the process by which the Grantee is given the right to apply for Shares of the Company against the Options granted to him in pursuance of this Scheme and the term “Vested” shall have a co-related meaning;
- (bb) **“Vesting Period”** in respect of an Option means the period after which such Option will be considered to have Vested in the Grantee. The Vesting Period may vary for different Grantees or Options, as may be determined by the Compensation Committee.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, Income Tax Act, 1961 or the Companies Act, 2013, or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any other regulations and/or circulars issued by SEBI or any statutory modification or re-enactment thereof, as the case may be.

## 1.2 Interpretations

In this document, unless otherwise stated or intention appears:

- a. words denoting the singular shall include the plural and vice versa;
- b. The words importing a gender include every gender.
- c. heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- d. references to the word “include” or “including” shall be construed without limitation; and
- e. references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

## 2. Purposes

The purposes of the Scheme are:

- (a) To encourage ownership of the Company’s equity shares by the Employees on an ongoing basis;
- (b) To align employee compensation with performance of the Company
- (c) To benefit the Company by enabling the attraction and retention of the best available talent by enabling them to contribute and share in the growth of the Company

- (d) To provide existing Employees an opportunity for investment in the Company's Common Stock in recognition of their efforts to grow and build the Company

### **3. Quantum of Shares subject to the Scheme**

The maximum number of Stock Options available for Grant under the ESOP 2019 shall be 39,76,711 (Thirty Nine Lakhs Seventy Six Lakhs Seven Hundred Eleven Only) representing [5%] Equity Shares of the Company of Face Value Rs 5.00 each, provided that all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are available for Grant. Each Stock Option when exercised will be converted into one Share of the Company.

Where Shares are issued consequent upon exercise of Stock Options under the Scheme, the maximum number of Shares that are subject to Stock Options referred above shall stand reduced to the extent of such Shares issued.

For the purpose of ESOP 2019, the Committee and/or the Compensation Committee may have the discretion of Secondary Acquisition through trust or issue of new Shares subject to necessary approvals in accordance with all applicable laws and regulations.

The maximum number of Options to be issued per Employee will be decided by the Compensation Committee, provided that where the number of Options being granted exceed the thresholds specified in the SEBI Regulations, prior approval of the shareholders of the Company shall be duly obtained for such Grant.

### **4. Eligibility**

- a. Except as set forth in this Scheme, all Employees are eligible for Stock Options subject to the provisions of the Scheme. The Committee will determine and designate from time to time Employees of the Company and / or Subsidiaries and/or Holding Company to whom Stock Options are to be granted and the number of Shares by such grants.
- b. The Stock Options shall be granted by the Committee to such Employees under an Award Agreement signed by the Chairman/ Authorized Signatory of the Committee and the Grantee.
- c. In determining the eligibility of an Employee to receive Stock Options under the Scheme, the Committee may consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Committee however is authorized to change the eligibility criteria from time to time.

### **5. Scheme Administration**

- a) The scheme shall be administered by and be under the superintendence of the Nomination and Remuneration Committee constituted by the Board. The Grantee shall abide by the policies, decisions and procedures laid down by the Committee, from time to time.

The Board shall have the power to reconstitute the Committee from time to time.

- b) The Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.
- c) The Committee shall, inter alia, formulate the detailed terms and conditions of the scheme which shall include the provisions as specified under applicable law and shall ensure due implementation of the same.
- d) The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI Regulations, the Circular, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, the guidelines issued under Income Tax Act, 1961 for grant of Options (so as to be eligible for exemptions thereunder) by the Company and its employees, as applicable.
- e) The Company Secretary of the Company shall be the administrator of the Scheme (the “**Scheme Administrator**”), who shall maintain such records and data as may be required to administer the Scheme.
- f) Each Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement.
- g) The Scheme Administrator shall provide each Grantee financial statements of the Company on an annual basis. Grantee shall have access to these statements through intranet and company website.

## **6. Effective Date**

The Scheme shall be deemed to have come into force on the date of its approval from the shareholders. The Scheme shall be terminated as per the Clause 21 of the ESOP Scheme, 2019 and no Grant shall be made under the Scheme post termination of scheme.

## **7. Terms and Conditions of Stock Options**

- a) Subject to the provisions of Clause 21 of the Scheme and other relevant terms of this Scheme, an Option shall be deemed to have been Exercised when the Company receives:



- (i) a written application (in physical or electronic form but in the form prescribed by the Committee) to the Scheme Administrator specifying the number of Stock Options to be Exercised; and
  - (ii) full payment of the Exercise Price for the Options sought to be Exercised, together with taxes, if any, payable for such Exercise and upon the satisfaction of the tax liabilities set out in Clause 18 of the Scheme.
- b) Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award and the Scheme (each as amended or modified, from time to time).
- c) Shares issued upon Exercise of an Option shall be issued in the name of the Grantee or, if requested by the Grantee, in the name of the Grantee and in the name of a joint applicant.
- d) If no specific Exercise Period has been mentioned in the Award, the Exercise Period of the Options Vested in him/her shall, subject to the provisions of Clause 21 of this Scheme, be 5 (five) ] years from the date of Vesting.
- e) The process of allotment of the Shares to the Grantee who has validly Exercised his/her Vested Options should be completed within three months of completion of valid Exercising of such Options Vested, in accordance with the terms prescribed in the Award and this Scheme.
- f) A Grantee can Exercise Options, in whole or in part any time during the Exercise Period of such Options, provided that no Option can be Exercised in fractions.
- g) The Exercise Price for an Option shall be the face value of the Shares or any higher price which may be decided by the Committee considering the prevailing market conditions and the norms as prescribed by SEBI and other relevant regulatory authorities.
- h) The Exercise Price for Options shall be as specified in the Award issued to the Grantee in respect of such Options (as modified or amended, from time to time, by notification to the Grantee).
- i) Cashless Exercise: Under the Cashless Exercise, upon a Grantee exercising the Stock Options, the corresponding Shares relating to such Stock Options exercised will be sold on Recognized Stock Exchange in which the shares are listed and publicly traded at the time of such Cashless Exercise, and the Grantee will be entitled to receive the difference between the selling price and the Exercise Price for the Stock Options exercised by him after deducting taxes payable on such Exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of shares).

For the purpose of implementing the Cashless Exercise, the Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the Stock Options as may be necessary and the same shall be binding on the Grantee.

For the purpose of this clause, unless otherwise stated “**Selling Price**” means the actual price realized on the sale of shares through the Recognized Stock Exchanges

Notwithstanding anything contained herein, it is hereby clarified that the Company is under no obligation to either buy the shares or pay any compensation to any Employee under this clause as a result of the inability or unwillingness of the Employee to acquire any shares, whether due to lack of funds, any restriction under law or otherwise.

- j) No Employee shall have any right to demand from the Company for Grant of Stock Options, nor shall the Company have any such obligation to any Employee.
- k) It is clearly understood that the Grant or Vesting of any Stock Options to an Employee, per se, does not assure accrual of a benefit or profit.
- l) Vesting of the Stock Options granted under the ESOP 2019 shall be at least one year from the date of Grant and could be different for different Employees. The vesting period and any other vesting conditions and schedule shall be provided in the Award Agreement with each Employee.
- m) Even after the completion of the Vesting Period and satisfaction of any other Vesting conditions, the Grantee will not be entitled to any dividends, rights issue or bonus shares issued until such time the Stock Options are Exercised and Shares are issued thereunder are allotted to the Grantee.
- n) If any Options that are Vested are not exercised within the applicable Exercise Period, the options will be forfeited by the Company after the last date of the Exercise Period.
- o) The total number of Stock Options that may be granted to any specific Eligible Employee under one or more tranches during any one year shall not exceed 2% Stock Options and Stock Options that may be granted to any specific Eligible Employee in aggregate shall not exceed 5% Stock Options.

## **8. Award Agreement**

- 8.1. The Grant of Stock Options shall be confirmed by an Award Agreement (in the form prescribed by the Committee) which shall be executed by the Committee and an Eligible Employee at the time of such Grant.

8.2. The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme and shall include without limitation:

- (a) the quantum of Options to be granted under the Scheme to a particular Eligible Employee;
- (b) the premium payable per Option for Grant;
- (c) Exercise Price;
- (d) the Vesting Period and the Exercise Period;
- (e) the conditions under which Options Vested in the Grantee may lapse in case of termination of employment for misconduct (apart from what have been stated elsewhere herein);
- (f) the specified time period within which the Grantee shall exercise the Vested Options in the event of termination or resignation of such Grantee;
- (g) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, demerger, amalgamation, sale of division, business transfer and others.

## **9. Accounting**

Further to accounting policies referred under Regulation 15 of the SEBI Regulations, the Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other policies as may be prescribed under SEBI Regulations.

## **10. Non-Resident Employees**

Grant of Stock Options to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the residential and/or employment jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, SEBI Regulations and any other statutory provisions applicable under relevant Indian laws.

## **11. Variation of the terms of ESOP 2019**

11.1. The Committee may at any time amend, alter, suspend or terminate the Scheme, to the extent, subject to and after compliance with the requirements of Applicable Laws, provided that the Company shall not vary the terms of the

Scheme in any manner which may be detrimental to the interests of the Grantees.

- 11.2. The Company may by a special resolution in a general meeting vary the terms of the Scheme offered pursuant to an earlier resolution of a general body but not yet exercised by the Grantees provided such variation is not detrimental or prejudicial to the interests of the Grantees. The notice for passing special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.
- 11.3. Termination of the Scheme shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the Scheme prior to the date of such termination.
- 11.4. Any change, amendment, etc. under this clause shall be subject to obtaining of approvals from concerned authorities and so long as otherwise such change, etc. is in accordance with the statutory provisions, guidelines, etc.
- 11.5. The provisions of Regulation 6 of the SEBI Regulations shall apply to such variation of terms as they do to the original Grant of Stock Options.

## **12. Resignation or Termination of Employment**

- 12.1. If a Grantee's employment with the Company terminates for Cause, then the Stock Options, to the extent not previously Vested and/ or Exercised, will lapse on the date of such termination of employment.
- 12.2. If a Grantee's employment with the Company stands terminated due to voluntary resignation on the part of the Grantee, then all Stock Options not vested in the Employee as on the date of termination shall lapse forthwith. The Vested Stock Options can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is earlier.
- 12.3. If a Grantee's employment with the Company terminates due to completion of his contract, all Stock Options not Vested at the time of such termination shall lapse forthwith. The Vested Stock Options can be exercised by an Employee prior to the expiry of Exercise Period. For the purposes of this clause, termination of employed shall have the meaning ascribed to it in the contract entered between the Company and such contractual employee.

However, will be regarded as employment transfers within the Company and will not be regarded as resignation or termination under this clause.

- 12.4. If a Grantee dies while being an Employee of the Company, the Option may be exercised within such period of time as is specified in the Award (but in no event later than the expiration of the Exercise Period of such Option as set forth in the Award) by the Grantee's legal representative or by a person who acquires

the right to exercise the Option by bequest or inheritance. All Options granted to him/her till date shall be deemed to be vested in the legal heirs or nominee of the deceased Employee. In the absence of a specified Exercise Period in the Award, the Option shall remain Exercisable for 6 months (or such extended time as decided by the Committee) following the Grantee's death. If such Options are not so Exercised within the time specified herein, the Options shall stand terminated, and the Shares covered by such Option shall revert to the Scheme.

- 12.5. If a Grantee suffers total and permanent disability and/or permanent incapacity, while being an Employee of the Company, all Options granted to him/her as on the date of such permanent incapacitation, shall stand Vested in him on that day. In the absence of a specified time in the Letter of Grant, in such case, all Option Vested in such Grantee shall remain Exercisable for 6 months (or such extended time as decided by the Committee) following the Grantee's termination. If, after termination, the Grantee does not Exercise his or her option within the time specified herein, the Options shall stand terminated, and the Shares covered by such Option shall revert to the Scheme.
- 12.6. Save and except for the reasons referred hereinabove under Clauses 12.3. 12.4 and 12.5 and also for resignation of an Employee of the Company for joining any group company of the Company including any Subsidiary and/or Holding Company, all Stock Options which have not vested will lapse forthwith.
- 12.7. The Vested Stock Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Committee.

### **13. Terms and Conditions of the Shares:**

- 13.1. The Shares allotted upon exercise of Stock Options granted under the Scheme are not subject to any lock in.
- 13.2. The Shares issued on Exercise of the Options shall be listed on the stock exchanges where the Company is listed subject to the terms and conditions of the listing agreements with the stock exchanges.
- 13.3. No Employee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a Shareholder in respect of Options Granted or Vested in the Grantee.

### **14. Vesting and Exercise of Stock Options in case of Employees on long leave**

- 14.1. The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

- 14.2. A Grantee on leave other than a sabbatical can Exercise his/her Stock Options as per the terms of the Award Agreement.
- 14.3. The Company may provide for different Exercise Periods, to the extent permissible under Applicable Law, for different Eligible Employees especially employees on long leave as may be decided by the Committee.

## **15. Non-Transferability**

- 15.1. Option granted to a Grantee shall not be transferable or assignable to any person.
- 15.2. Save and except as provided herein under Clause 12.4 of the scheme or by testamentary documents, no person other than the Grantee to whom the Option is granted shall be entitled to Exercise the Option.
- 15.3. The Option granted to the Grantee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

## **16. Corporate Action**

- 16.1. In the event of change in control of the Company or Corporate Action, a Grant made under the Scheme shall be subject to adjustment by the Committee at its discretion as to number of Options or Vesting criteria as the case may be such that (a) the number of Options and the Exercise Price is adjusted in the manner such that the total value to the Grantee remains the same after the adjustment pursuant to the Corporate Action and/or change in control of the Company; (b) the Vesting criteria and the life of the Options is left unaltered to protect the interest of the Grantee. The decision of the Committee, in this regard, shall be final and binding.
- 16.2. The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board or the Shareholders to make or authorise any 'Corporate Action', strategic sale of substantial stake by the Shareholders including any issue of Shares, debt or other Securities having any priority or preference with respect to the Shares under the Scheme or the rights thereof, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company or the new company / new entity that is formed or takes over a part of whole of the business of the Company, as a result of such action.
- 16.3. In the event of a dissolution or liquidation, the Committee shall inform each Grantee, as soon as practicable / permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Grantee.
- 16.4. Nothing contained in the Scheme shall be construed to prevent the Company from implementing another Employee Stock Option Plan, directly or through

any trust settled by Company, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Scheme or any Grant made under the Scheme. No Grantee or other Person shall have any claim against the Company and/or Trust as a result of such action.

#### **17. No Right of Employment**

The Grant of Stock Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary to terminate the employment of the Grantee at any time.

#### **18. Tax Liability**

- (a) The Company shall have the right to deduct / recover all taxes payable either by itself or by the Grantee, in connection with all Grants / Options / Shares under this Scheme, by way of deduction at source from salary and, in addition, to require any payments necessary to enable it to satisfy such obligations.
- (b) No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Stock Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft to the Company for the said amount.
- (c) The Company shall have no obligation to deliver Shares or to release Shares until the Company's tax deducting obligations, if any, have been satisfied by the Grantee.
- (d) The Grantee will also, as a condition of the Scheme, authorize the Company or its Nominee to sell such number of Shares, as would be necessary, to discharge the obligation in the respect of such taxes and appropriate the proceeds thereof on behalf of the Grantee.
- (e) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Stock Options or the Shares acquired upon the Exercise thereof.
- (f) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

#### **19. Interpretation and Amendments**

- (a) The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or such Option(s).

- (b) The Committee shall in accordance with this Scheme and Applicable Law determine the following:
- (i) determine the Eligible Employees to become the Grantees;
  - (ii) determine the performance parameters for Grant and/or Vesting of Options to an Eligible Employee;
  - (iii) determine the Vesting and/or lock-in-period of the Grant made to any Grantee and/or any conditions subject to which such Vesting may take place;
  - (iv) assess the performance of an Eligible Employee for Granting of the Options;
  - (v) determine the criteria for Vesting of Options;
  - (vi) determine the number of Options to be Granted, to each Eligible Employee and in the aggregate, and the times at which such Grants shall be made;
  - (vii) lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Action in accordance SEBI (SBEB) Regulations;
  - (viii) specify the method which the Company shall use to value its Options for the purposes of accounting for Options as per the accounting guidelines of the Institute of Chartered Accountants in India;
  - (ix) provide for the right of an Grantee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
  - (x) lay down the procedure for cashless Exercise of Options, if any;
  - (xi) provide for the Grant, Vesting and Exercise of Options in case of Grantees who are on long leave or who have been seconded to any other company by the Company;
  - (xii) such other matters in respect of which the Committee is required to formulate terms and conditions under Applicable Law.
- (c) In the event of any clarifications being required on the interpretation or application of the Scheme, the same shall be referred to the Committee. The decision of the Committee shall be final and binding on the Employees in this regard.
- (d) With regard to the matters specifically not provided for in this Scheme or any other documents that may be issued in connection with the Options, the



Committee shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the Employees and the Company as may be permissible under the Applicable Law, rules and regulations for the time being in force. The decision of the Committee shall be final and binding on the Employees.

- (e) Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Scheme shall be referred to the Committee and shall be determined by it from time to time. All such determination / decision / interpretation by the Committee shall be final and binding on all the Employees affected thereby.

## **20. Notices**

All notices under the Scheme shall be in writing, and if to the Company, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

## **21. Termination of the Scheme**

21.1. The Scheme shall terminate upon the earliest to occur of the following:

- a) The effective date of a resolution adopted by the Committee terminating the Scheme;
- b) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or
- c) 10 years from the, date the Scheme is approved by the Company's shareholders.

21.2. No Stock Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section, but Stock Options granted heretofore shall continue in force beyond that date pursuant to these terms.

21.3. No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder and all Stock Options previously granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement.

## **22. Other Terms**

- 22.1. This Scheme, in terms of having binding effect, is a private contract between the Company and the Employee specified in the Award with which this document is an integral part. It does not create any right or benefit for persons other than the between the Company and the specific Employee who has been issued an Award of which this document forms a part. The parties hereto recognize that the Company may provide for different terms, to the extent permissible under Applicable Law, for different Eligible Employees especially employees on long leave as may be decided by the Compensation Committee.
- 22.2. The Company shall be entitled to file this Scheme with such authorities and persons as it may be required under law to file or where it deems fit.
- 22.3. This Scheme shall not form part of any contract of employment between the Company and the Employee/Grantee. The rights and obligations of any individual under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in and nothing in this Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- 22.4. This Scheme shall be subject to all Applicable Laws, rules, and regulations and to such approvals by any governmental agencies as may be required. The Grant of Options under this Scheme shall entitle the Company to require the Grantees to comply with such requirements of law as may be necessary in the opinion of the Company
- 22.5. All costs and expenses with respect to the adoption of the Scheme and in connection with the registration of Shares shall be borne by the Company; provided, however, that except as otherwise specifically provided in the Scheme or in any agreement between the Company and a Grantee, the Company shall not be obliged to pay any costs or expenses (including legal fees) incurred by any Grantee in connection with any Option held by such Grantee or transfer or other dealing with Shares held by a Grantee pursuant to Exercise of Options.
- 22.6. In the event of any tax liability, present or future, arising on account of the grant of the Options / conversion into
- 22.7. shares / transfer of shares to the employee, the liability shall be that of the employee alone and the Company shall be indemnified to the extent of income tax , fringe benefit tax etc , if any levied at any point of time . The Company shall have the right to deduct tax at source or demand and recover tax from the employee of such an amount as may be advised to it by the tax advisors at the time of grant or exercise of the Options.
- 22.8. The Scheme shall continue to operate so long as there are un-issued or unexercised Options and thereafter shall continue to operate till the Compensation Committee decides to terminate the Scheme. The Scheme shall

operate independently and parallel to any Scheme that may be presently existing. The Company may introduce new scheme or schemes that may have features, terms and conditions that are different from the Scheme.

- 22.9. The Employee shall enter into such agreement, as the Company or its representative may desire from time to time to more fully and effectively implement this Scheme.
- 22.10. The Employee who holds any Options/ Shares under the Scheme shall not divulge the details or terms of the Scheme, any Letter of Grant and his/her holding to any person except any disclosure as may be required as per Applicable Laws
- 22.11. Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange.
- 22.12. Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the exercise of Stock Options. The risks associated with investment in Shares are that of the Grantee alone.
- 22.13. This Scheme will operate inter-alia, under Companies Act 2013 and SEBI (SBEB) Regulations, provisions not specifically provided herein but set out in in such aforesaid laws.