

BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024

1. Introduction:

1. This Scheme shall be called the “**BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024**” hereinafter referred as “**the Scheme**”.
2. The Scheme was recommended by the Nomination and Remuneration Committee on August 1, 2024 and approved by the Board of Directors on August 6, 2024 and by the Shareholders of the Company by way of special resolution on September 25, 2024.
3. The Scheme shall be effective from the date of approval of the Scheme by the shareholders of the Company (i.e.) September 25, 2024 (“**Effective Date**”).
4. The Scheme is in accordance with the regulations prescribed by SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other regulation as applicable to the Company and shall not contravene any law, for the time being in force that is material for giving effect to such Scheme.

2. Term of the Scheme:

1. The Scheme shall continue in effect unless terminated by the Board of Directors or Nomination and Remuneration Committee or until all the Options granted under the Scheme are vested and exercised whichever is earlier.
2. Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect, subject to clause 14.3 and 14.5, as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal Heirs and the Company.

3. Purpose and objectives of the Scheme:

The objective of the Scheme is to align the interests of the Employees with those of the Company and its shareholders by providing Employees with the opportunity to acquire Shares in the Company. This Scheme aims to incentivize the Employees to perform at their best, fostering a sense of ownership and commitment to the Company's success. By linking stock options to the Company's performance, the Scheme encourages the Employees to contribute to long-term growth and profitability, ultimately driving shareholder value. The Scheme will help attract and retain top talent in a competitive job market, enhancing overall Company's stability and performance.

4. Definitions:

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

1. “**Applicable Law**” means every law relating to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013 and Rules framed there under, Securities and

Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and includes all applicable regulations, rules, notifications, circulars, guidance notes issued by SEBI or any other competent authority and includes any statutory modifications or re-enactment thereof, and all relevant revenue, accounting, tax, securities or exchange control regulations or corporate laws of India to the extent applicable or of any recognized stock exchange on which the Shares of the Company are / will be listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

2. **“Board of Directors”** means the Board of Directors of the Company.
3. **“Compensation Committee”** means Nomination and Remuneration Committee (NRC) of the Company constituted by the Board of Directors comprising such number of members of the Board of Directors as provided under the SEBI LODR Regulations and is designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with the SBEBASE Regulations.
4. **“Company”** means Blue Star Limited, a Company incorporated under the Companies Act, 1913 and having its registered office at 4th Floor, Kasturi Building, Mohan T. Advani Chowk, Jamshedji Tata Road, Mumbai, Maharashtra, India, 400020.
5. **“Corporate Action”** means rights issues, bonus issues, sub-division or consolidation of shares, changes in capital structure, merger and sale of division/undertaking or any other reorganization.
6. **“Directors”** means a Director appointed to the Board of Directors of the Company under the Applicable Law.
7. **“Eligibility Criteria”** means the criteria, as may be determined, from time to time, by the NRC, for granting the Options to the Employee.
8. **“Eligible Employee(s)”** means those Employees who satisfy the Eligibility Criteria for Grant of Options under the Scheme.
9. **“Employee(s)”** means:
 - a. an Employee as designated by the Company, who is exclusively working in India or outside India;
 - b. a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director;
 - c. an Employee as defined in sub-clauses (a) or (b), of a subsidiary, in India or outside India, but does not include an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
10. **“Exercise”** means making of an application by the Grantee to the Company or to the Trust for issue of Shares against Vested Options in pursuance of the Scheme and as per the Grant Letter.

11. **“Exercise Period”** means the time period after Vesting within which a Grantee can exercise his/her right to apply for shares against the vested options in pursuance of the Scheme and in accordance with the procedure laid down in the Grant Letter.
12. **“Exercise Price”** means the price payable by a Grantee for exercising the Vested Options granted in pursuance of the Scheme.
13. **“Grant”** means the process by which the NRC issues Options to the Eligible Employees in pursuance of the Scheme.
14. **“Grantee(s)”** means an Eligible Employee who has been granted Options and is having a right but not an obligation to Exercise the said Option in pursuance of the Scheme and as per the terms specified in the Grant Letter.
15. **“Grant Date”** means the date on which the NRC approves the grant of Options to an Eligible Employees.
16. **“Grant Letter”** shall mean the letter issued by the Company intimating an Eligible Employee of the Options granted to him/her for acquiring a specified number of Shares of the Company at the Exercise Price and as per the terms and conditions described therein.
17. **“Independent Director”** shall have the same meaning as defined in regulation 16(b) of SEBI LODR Regulations and section 2(47) read with section 149(6) of the Companies Act, 2013, as amended from time to time.
18. **“Market price”** means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.
19. **“Option(s) / Employee Stock Options”** means the Options granted to an Eligible Employee, which gives such an employee a right to purchase or subscribe at a future date, the Shares underlying such Options, at a pre-determined Exercise Price in accordance with the Scheme.
20. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the NRC based on a certificate of a medical expert identified by the Company.
21. **“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.
22. **“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.
23. **“Relative”** shall have the same meaning as defined in Section 2(77) of Companies Act, 2013.

24. **“Relevant date”** means:

- a. in the case of Grant, the date of the meeting of the NRC on which the grant is made; or
- b. in the case of Exercise, the date on which the notice of exercise is given to the Company or to the Trust by the Grantee;

25. **“Scheme”** shall mean the Blue Star 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.

26. **“SBEBASE 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.

27. **“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.

28. **“Shares”** means Equity Shares of the Company.

29. **“Subsidiary”** shall have the same meaning as defined in regulation 2 of SEBI LODR Regulations and section 2(87) of the Companies Act, 2013, as amended from time to time.

30. **“Trust”** shall mean Trust established by the Company under the provisions of Indian Trust Act, 1882, including any statutory modification or re- enactment thereof, which inter alia has an objective of implementing the ESOP Scheme.

31. **“Unvested Option”** means an Option, which is not vested.

32. **“Vesting”** means accrual of the right but not an obligation to the Grantee to Exercise the Options granted to him/her under the Scheme.

33. **“Vesting Condition”** means the condition prescribed by the NRC, if any, subject to satisfaction of which the Options granted would vest in a Grantee.

34. **“Vesting Date”** means the date on and from which the Option vests with the Grantee and thereby becomes exercisable.

35. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied by the Grantee and the Grantee has become eligible to Exercise the Option as per the terms specified in the Grant Letter.

36. **“Vesting Period”** means the period during which the vesting of option granted under the scheme takes place.

5. Words and expressions used and not defined herein but defined in the Companies Act, 2013, SBEBASE Regulations and SEBI LODR Regulations and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations.

6. Implementation & Administration:

1. The Company proposes to implement the Scheme through a Trust wherein the Trust shall acquire the Shares by way of subscribing to the fresh Shares issued by the Company or through secondary acquisition on the platform of the stock exchange or inherit the shares by way of gift or through merger of any other existing Trust with similar objective or any combination thereof.
2. The Shares so acquired by the Trust will be transferred to the Grantee as and when the Options are exercised by the Grantee.
3. Subject to Applicable Law and the framework laid down by the NRC and the Board of Directors, the Scheme shall be administered by the NRC which may delegate some or all of its power to the Trust as it may deem fit for proper administration of the Scheme.
4. The NRC is authorized to interpret and make any other amendments to the Scheme that it deems necessary or desirable for the administration and implementation of the Scheme, provided that such amendment is not prejudicial to the interest of the Employees.
5. Any decision of the NRC 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).
6. The NRC shall subject to Applicable Law, inter alia, have powers to do following:
 - a. To finalize the Eligibility Criteria for grant of options.
 - b. To determine the Employees eligible for grant of options.
 - c. To determine the number of Options to be granted to each Grantee and in aggregate subject to the maximum limit approved by the Shareholders.
 - d. To decide upon granting of Options to new Employees.
 - e. To grant Options to one or more Eligible Employees.
 - f. To decide the Vesting Period subject to minimum and maximum period of vesting as stated in the Scheme.
 - g. To determine the vesting schedule for each Grantee in case of Options.
 - h. To finalize the Eligibility Criteria for Vesting of Options.
 - i. To decide upon the mode and manner of Exercise of Options.
 - j. To grant Financial Assistance to Trust for acquisition of Shares and decide the tenure and terms of repayment and other matters relating to grant of Financial Assistance.
 - k. To decide upon treatment of Vested and Unvested Options in cases of cessation/retirement/death/permanent incapacity/suspension of employment as specified in the Scheme.
 - l. To decide upon the treatment of Options in the event of Corporate Action.

- m. To cancel all or any granted Options in accordance with the Scheme.
 - n. To accelerate the Vesting of Options on a case-to-case basis, subject to completion of minimum 1 year from the Grant Date.
 - o. To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and the Company.
 - p. To finalize letters and other documents, if any, required to be issued under the Scheme.
 - q. To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
 - r. To terminate the Scheme.
 - s. To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.
 - t. To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the Employees.
 - u. To determine matters relating to Grant, Vesting and Exercise of Options in case of Employees on Long Leave.
 - v. To delegate its duties and powers in whole or in part as it may decide from time to time to the Trust.
 - w. To decrease the pool of Options to be granted under Scheme.
 - x. To decrease the pool of Shares to be issued under Scheme.
 - y. To decide upon such other matters in connection with the Options issued under the Scheme.
7. The powers and functions of the NRC can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force and /or subject to approval of the shareholders, if required.
8. In the event of any inconsistency between the provisions of the Scheme and the provisions of the employment offer letter or Grant Letter of the Eligible Employee, the provisions of the Scheme shall prevail.

7. Pool of the Scheme/ Quantum of the Scheme

1. The total number of Options that may be granted pursuant to this Scheme shall not exceed 5,00,000 (Five Lakhs only) convertible into equity shares at face value of Rs.2/- each (or such other adjusted figure consequent to Corporate Action).
2. If any Options under the Scheme lapse, cancelled, forfeited, terminated or surrendered, such options shall be available for further Grant under the Scheme unless otherwise determined by the NRC.
3. Further, the maximum number of Options that can be granted and already granted and the Shares arising upon Exercise of these Options shall stand adjusted in case of Corporate Actions.

8. Blue Star ESOP Trust:

1. Blue Star ESOP Trust means the Trust to be established by the Company or any existing Trust of the Company inter alia formed for the purpose in accordance with the Applicable Law to subscribe, acquire, purchase, inherit by way of gift or by way of merger of any existing Trust with similar objective or any combination thereof, hold and deal in Shares of the Company for the purpose of implementation of the Scheme and any other schemes in future.
2. Subject to approval of the Shareholders, the Trust shall acquire not exceeding 5,00,000 Shares by way of subscribing to the fresh Shares issued and allotted by the Company or through secondary acquisition on the platform of the stock exchange inherit by way of gift or by way of merger of any existing Trust with similar objective or any combination thereof.
3. The Trust shall keep and maintain proper books of account, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of Scheme.
4. Subject to Applicable Law, no person shall be appointed as a trustee, if he/she:
 - a. is a Director, Key Managerial Personnel or Promoter of the Company or its group company including holding, subsidiary or associate company or any relative of such Director, Key Managerial Personnel or Promoter; or
 - b. beneficially holds ten percent or more of the paid-up share capital or the voting rights of the Company.

Provided that where individual(s) or “one person company” as defined under the Companies Act, 2013 is appointed as trustee(s), there shall be a minimum of two such trustees, and in case a corporate entity is appointed as a trustee, then it may be the sole trustee.
5. The Trustees of the Trust shall not vote in respect of the Shares held by the Trust.
6. The Trustee shall ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Scheme.
7. The Trust shall not deal in derivatives.
8. For the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as ‘non-promoter and non-public’ shareholding.
9. The Trust shall transfer the Shares to the Grantees in the manner specified in the trust deed. The Trustee(s) of the Trust shall administer the transfer of Shares, as the case may be, as per the directions of the NRC and as stipulated in the Scheme.
10. For the purpose of acquisition and dealing of Shares by the said Trust, the Trust may be funded by

the Company, either through an interest free loan or by providing guarantee or security for the loan granted by any Bank or Financial Institution or by way of any other permitted means ('Financial Assistance') under the Applicable Law.

11. Subject to provisions of Applicable Law, the maximum amount of Financial Assistance to be provided for implementation of the Scheme by the Company to the Trust, from time to time, in one or more tranches, shall not exceed 5% of the aggregate of the paid-up share capital and free reserves of the Company. The Financial Assistance provided will be utilized by the Trust, inter-alia, for acquisition of Shares from the secondary market and/or for subscribing to fresh issue of Shares by the Company. The tenure and repayment terms shall be mutually determined between the NRC and the Trustees.

9. Eligibility Criteria:

1. Only Employees are eligible for being granted Options under the Scheme. Pursuant to applicable provisions of the law, the NRC shall identify the class of persons eligible under the Scheme.
2. The NRC may lay down the criteria for the entitlement of the Options. In determining the Employees to whom Options are to be Granted, as well as in determining the number of Options to be granted, the NRC may consider performance rating, grade, merit, performance of the division, talent management score, and/or any other factors as the NRC shall deem relevant for accomplishing the purpose of the Scheme.
3. Nothing contained in the Scheme or an Option granted pursuant to the Scheme shall confer on any Employee any right to continue in the employment of the Company or interfere in any way with the rights of the Company to terminate the employee's employment at any time.
4. For new joiners, the NRC shall decide the eligibility based on competency and previous experience and / or any other factors as it may consider relevant for accomplishing the purpose of the Scheme.

10. Grant of Options

1. The NRC shall recommend the Grant of Options to one or more Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms, upon satisfaction of the Eligibility Criteria as set out by the NRC, if any.
2. The maximum number of Stock Options to be granted to any Eligible Employee under the Scheme shall not exceed 1,00,000 (or such other adjusted figure consequent to Corporate Action).
3. The NRC reserves the right to decide on the number of Options to be granted to each Employee based on the grade and Eligibility Criteria set out by the NRC within the above limit.
4. The Grant of Options shall be communicated to the Eligible Employees in writing through Grant Letter specifying the Vesting Date, number of Options granted, Exercise Price, Vesting Conditions, Exercise Period and the other terms and conditions thereof.

5. No amount shall be payable by an Eligible Employee at the time of Grant of Options.
6. The Grant of 1 (One) Option to an Eligible Employee under this Scheme shall entitle such Eligible Employee to apply for 1 (One) Share in the Company upon payment of Exercise Price and applicable taxes and subject to terms and conditions provided in the Scheme and in the Grant Letter.
7. The Options granted to the Eligible Employee shall not be transferable to any other person.
8. Subject to Applicable Law, no person, other than the Eligible Employee to whom the Option is granted, shall be entitled to the benefit arising out of such Option, except as provided in clause 14.1.
9. The Options granted to the Eligible Employee shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any manner.
10. Subject to the terms contained herein, the acceptance of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company.
11. NRC reserves the right to increase / reduce / cancel / forfeit the options granted to any Eligible Employee before vesting to reflect an employee's performance / conduct, mitigate risks arising from regulatory changes, unforeseen events, economic downturns or market volatility, maintain fairness and equity among eligible employees and for such other reasons as it may deem fit in the interest of the Company.

11. Vesting of Options

1. Subject to Applicable Law, there shall be a minimum gap of one year between the Grant Date of Options and Vesting of Options.
2. Vesting Period for Options shall commence after minimum 1 (One) year from the Grant Date and it may extend upto maximum of 5 (Five) years from the Grant Date or such lesser period as may be decided by the NRC at its sole discretion from time to time.
3. The Options granted to any Eligible Employees shall vest, in one or more tranches, within the Vesting Period and upon fulfillment of Vesting Conditions mentioned in the Grant Letter. The Grantee shall have the right but not an obligation to exercise all the Options vested with him/her at one time or various points of time within the Exercise Period.
4. Vesting of Options will be on yearly basis and can vary from Grantee to Grantee as per the discretion of the NRC whose decision shall be final and binding.
5. The Vesting Date and terms and conditions including the Vesting Conditions will be communicated to the respective Grantee through Grant Letter. Subject to Applicable Law, the NRC shall have the power to modify or accelerate the Vesting Date.

6. The minimum vesting gap of 1 (One) year as specified in clause 11.1 above shall not apply in the event of death or Permanent Incapacity of the Grantee while in employment. All the options, granted under the Scheme to him/her till his/her death or permanent incapacitation shall vest, with effect from the date of his/her death or permanent incapacitation, on the legal heir or nominee of the deceased Grantee/ Grantee, as the case may be.
7. The Options which get lapsed due to non-fulfilment of Vesting Conditions or due to lapse of Exercise Period or due to resignation of the Grantee or any other reason, would be available for being re-granted. The NRC is authorized to re-grant such lapsed/cancelled options.
8. Further, in case of any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options, the Options to be actually vested, be rounded off to nearest lower integer.

12. Exercise of Options:

1. The Grantee shall be informed by the NRC about the Vested Options before the Vesting Date and accordingly, the Grantee shall be entitled to Exercise the Options.
2. The Grantee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter after the Grantee has made the payment of the Exercise Price and applicable tax.
3. The Exercise Period shall be 7 (seven) years from the Grant Date or such lesser period as may be decided by the NRC. The Exercise Period will be specified in the Grant Letter issued to the Eligible Employees. Failure to exercise the Options within the specified time period, shall result in lapsing of Vested Options in the hands of Grantee.
4. The mode and manner of the Exercise shall be communicated to the Grantee in the Grant Letter or separately.
5. Upon valid Exercise, the Trust will transfer shares to the Grantees.
6. Upon transfer of Shares, the Grantee shall become member of the Company.
7. Notwithstanding anything contained elsewhere in the Scheme, the Trust in consultation with the Company, may not transfer Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust 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 on, or recourse to the Company.
8. If the Vesting or Exercise of Options is prevented by any law or regulation in force and the Trust is forbidden to transfer Equity Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company or the Trust shall not be liable to compensate the Grantee in any manner whatsoever.

9. The NRC shall have the power to cancel all or any of the Options granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.

13. Exercise Price:

1. The Exercise Price of the Options granted shall be the face value of the Share, i.e., Rs.2/- (or as adjusted by the corporate action(s)). No amount shall be payable at the time of Grant of Options.
2. The aggregate Exercise Price payable at the time of Exercise shall be paid by a cheque or Bank Transfer from the account of the Grantee in the name of the Trust.
3. The Income tax and any other tax payable at the time of Exercise of Options shall be payable at the time of Exercise by a cheque or Bank Transfer from the account of the Grantee drawn in the name of the Company / Subsidiary Company, as the case may be.
4. The liability of paying taxes, if any, on the Options exercised pursuant to this Scheme and the Shares issued pursuant to Exercise of the Options shall be entirely on the Grantee. In the event of any tax liability arising on account of the Scheme to the Company and/or the Subsidiaries, including any tax liability arising on account of all applicable taxes or payable by the Company and/or the Subsidiaries in respect of the Vesting, Exercise, release, or cancellation of the options granted by the Company, the Company, the Subsidiary (as the case may be) shall have the right to collect the same from the employees.
5. The Company shall have the right (and cause its relevant Subsidiary Company) to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Employee Stock Options or the Shares acquired upon the exercise thereof.
6. The Trust may lay down the procedure for funding the Exercise of Options.

14. Cessation of Employment:

Subject to the employment terms of a Grantee, the following terms shall be applicable:

1. In the event of cessation of employment due to death:
 - a) Notwithstanding anything mentioned herein, in the event of death of the Grantee while in employment, all the Options granted under the Scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominee of the deceased Grantee, as the case may be.
 - b) The Options would be exercisable by the Nominee / Legal Heir within a period of 2 (Two) years from the date of death of the Grantee or such extended period as may be permitted by

the NRC, failing which all the unexercised Options shall cancel irrevocably and the rights thereunder shall be extinguished.

- c) 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 Nominee / Legal Heir have to submit the relevant documents to the Company, to the satisfaction of the NRC or its authorized representative and the NRC may at its discretion waive off the requirement to submit any of the documents.

2. In the event of cessation of employment due to permanent incapacity:

- a) In case the Grantee suffers a permanent incapacity while in employment, all the Options granted to him/her under the Scheme as on the date of permanent incapacitation, shall vest in him/her on that day. The Options would be exercisable within a period of 2 (Two) years from the date of permanent incapacity or such extended period as may be permitted by the NRC, failing which the entire unexercised options shall cancel irrevocably and the rights there under shall be extinguished.

3. In the event of cessation of employment due to resignation:

- a) All Unvested Options, on the date of resignation, shall expire and stand cancelled with effect from that date. It is expressly clarified that the Unvested Options shall stand cancelled on the day of submission of resignation to the Company and not on the last working day.
- b) All Vested Options, on the date of submission of resignation letter, shall be exercisable by the Grantee by last day of employment in the organization or before expiry of Exercise Period, whichever is earlier. The Vested Options not so exercised shall stand cancelled irrevocably and the rights thereunder shall be extinguished.

4. In the event of cessation of employment due to retirement/superannuation

- a) In the event of cessation of employment due to retirement or superannuation in accordance with the Company's policies, or participation in Voluntary Retirement Scheme (VRS), if any, the Options granted to Grantee would continue to vest in accordance with the respective vesting schedules and the vesting terms and conditions specified in the Grant Letter. The Stock Options shall remain exercisable subject to clause 14(6).

5. In the event of cessation of employment due to termination (due to misconduct or ethical/ compliance violations)

- a) If a Grantee is terminated due to misconduct or ethical/ compliance violations, all Options granted whether vested or not shall stand cancelled with immediate effect unless otherwise determined by the NRC, whose determination will be final and binding and for already exercised Stock Options, the Company reserves its right to recover the amount equivalent to the number of shares received by the Grantee on exercise of Stock Options (including Stock Options exercised prior to the termination) multiplied by the highest market price of the share during the period from the date of exercise till the date of recovery or such other amount as may be decided by the NRC.
- b) Suspended Employees and Employees under enquiry: In case a Grantee has been suspended or in case of a Grantee against whom an enquiry is being conducted for any reason, then:

- i. all Options which have not vested on the date of suspension or commencement of enquiry shall stand suspended and shall not vest; and
 - ii. all Options which have vested but not exercised shall not be exercisable until the enquiry is completed.
- c) At the conclusion of such an Enquiry –
 - i. If the Grantee is found guilty of misconduct under any such enquiry, the provisions of clause 14(5)(a) above shall apply;
 - ii. If the Grantee is acquitted of the charges framed against him, all Options which were due for Vesting / Exercise and have not been Vested or Exercised in view of the suspension of such Grantee or pendency of an enquiry shall vest in him and be exercisable as per the terms mentioned in the Grant Letter.
- 6. Except with the prior approval of the Working Directors, the Grantee post resignation / termination / retirement / superannuation shall not engage, directly or indirectly, either as an employee, consultant, director or otherwise, with the entities in India or outside India, which is in competition either directly or indirectly with the business carried on by the Company or its subsidiaries or shall not solicit, divert, contact or call upon the customers of the Company or its subsidiaries with the intent of doing business:
 - a. For a period of three years from the last working day in the event of resignation / termination; and
 - b. For a period of three years from retirement / superannuation date or till the Last Exercise Date, whichever is later, in the event of retirement / superannuation.
- 7. In case the Grantee is found in breach of the clause 14(6), then:
 - a. For the Grantee who has resigned or terminated from the services of the Company / Subsidiary company, the Company reserves its right to recover the amount equivalent to the number of Shares received by the Grantee on exercise of Stock Options (including Stock Options exercised prior to the breach) multiplied by the highest market price of the share during the period from the date of exercise till the date of recovery or such other amount as may be decided by the NRC.
 - b. For retired or superannuated employees, Stock Options, whether Unvested or Vested but not exercised, will stand cancelled and for already exercised Stock Options, the Company reserves its right to recover the amount equivalent to the number of shares received by the Grantee on exercise of Stock Options (including Stock Options exercised prior to the breach) multiplied by the highest market price of the share during the period from the date of exercise till the date of recovery or such other amount as may be decided by the NRC.
- 8. In the event that a grantee is transferred or deputed to Group Company, the vesting and exercise of options, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.
- 9. Where a Grantee has been granted a long leave, then the Grantee shall be entitled to retain all the Options vested in him/her at the time of going on long leave and exercise the Vested Options in accordance with the Grant Letter and Scheme. Vesting of all Options granted to Grantee which are

not vested at the time of commencement of long leave shall remain suspended during such long leave period and Vesting of such Options would recommence subject to the following -

- a) Grantee rejoining and resuming the contract of employment;
- b) Grantee fulfilling terms and conditions, in respect of Long Leave, prescribed by the Company; and
- c) The original Vesting Date for the Options will be accordingly extended by the period of Long Leave in the year of resumption of the Grantee from Long Leave.

(*Long leave* means authorised leave of such period as per the rules and practices of the Company.)

15. Other Terms and conditions /Rights of the Grantees

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 Shares covered by the Grant unless the Grantee Exercise the Options and becomes the registered shareholder of the Company.
2. The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to Exercise Options in whole or in part.

Further, any amount paid by the employee at the time of Exercise of the Options will be forfeited if the employee does not Exercise the same and complete the Exercise documentation within the Exercise Period.

3. The Grantee shall abide by the 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.
4. Grantee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of an option granted to him/her, till shares are registered in his/her name upon exercise of the option.
5. With respect to any matters that are not specifically provided for, the NRC shall have absolute discretion to decide such matters in the manner deemed fit by it and any such decision of the NRC shall be binding on all Eligible Employees and the Trust.

16. Notices and correspondence:

1. Any notice required to be given by a Grantee to the Company may be given or made to the Company addressed to the authorized person whose name and email id is mentioned in the Grant Letter.

17. Nomination of Beneficiary:

1. Each Grantee under the Scheme may nominate, a beneficiary or beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he/she receives all of such benefit. Grantee may modify the nomination made earlier. Each such subsequent nomination shall revoke all prior nominations by the same Grantee. The nomination shall be in the 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 and taken on record by the Company. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Grantee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heir's interest of the Grantee concerned. If the Grantee fails to make a nomination, the Shares shall vest on his/her legal heirs in the event of his/her death as per the procedure specified by the NRC.

18. Corporate Action:

1. The Options granted, vested and unvested and the Exercise Price shall be subject to adjustment, by the NRC, at its discretion, in the event of 'Corporate Action' as defined herein after taking into consideration the following:
 - a) the number and 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 the Options shall be left unaltered as far as possible to protect the rights of the Grantee;
2. The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of any restructuring. In such an event, subject to Applicable Law, the NRC shall have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under law, so as to ensure that the benefits under the Grant are passed on to the Grantee.

19. Disclosure and Accounting Policies:

1. The Company shall comply with the requirements of IND-AS / such other applicable accounting standards or policies, as may be prescribed from time to time.
2. The Company shall use Fair Value method or such valuation method as may be prescribed from time to time in accordance with Applicable Law for computing the compensation cost for the options granted including any 'Guidance Note on Accounting for employee share- based Payments' issued in that regard from time to time.
3. Compensation cost will be recorded in the books of account of the Company as per the Accounting Standards.

20. Surrender of Options:

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

21. Governing Law:

1. This Scheme and all related documents thereunder shall be governed by and construed in accordance with the SBEBASE Regulations and other Applicable Law of India.
2. Any term of the Scheme that is contrary to the requirement of the SBEBASE Regulations or any other Applicable Law shall not apply to the extent it is contrary.
3. The Courts at Mumbai shall have exclusive jurisdiction on any matter arising out of this Scheme.

22. Regulatory Approvals:

1. The implementation of the Scheme, the Granting of any Options under this Scheme shall be subject to the procurement of all approvals and permissions by the Company, grantees and or their legal heirs, nominees as the case may be from the regulatory authorities having jurisdiction over the Scheme. The Grantee/ and/or their Nominee/Legal Heirs as the case may be under this Scheme shall, if requested by the NRC / Company, provide such assurances and representations to the Company or the NRC, as the NRC may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

23. Buy-Back

1. The Board and NRC may 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, including:
 - a) permissible sources of financing for buy-back;
 - b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - c) limits upon quantum of Options that the Company may buy-back in a financial year;

24. Modification of Scheme:

1. Subject to the approval of Shareholders, if required and in compliance with Applicable Law, the NRC 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 under the Scheme;

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

25. Winding up of the scheme

Subject to compliance with SBEBASE Regulations and other Applicable Law in case of winding up of the scheme being implemented by the Company, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilized for repayment of loan or subject to approval of the shareholders, be transferred to another scheme under these regulations, as recommended by the NRC.

26. General risks:

Participation in this scheme shall not be construed as any guarantee of return on the investment. Any loss due to fluctuations in the fair market value/market price of the Shares and the risks associated with the investment are that of the Grantee alone.
