



Name of the Company Employee Stock Option Plan (Year)

Name of the Company



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1. Name, Objective and Term of the Plan

- 1.1 This employee stock option plan shall be called the '**Name of the Company** - Employee Stock Option Plan **Year**' ("ESOP Plan"/ "**Plan**").
- 1.2 The objectives of the ESOP Plan are to reward the Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company intends to use ESOP Plan to attract, retain and reward key talent in the organization. The Company views Employee Stock Option as an instrument that would enable the Employees to get a Share in the value; they create for the Company in the years to come.
- 1.3 The ESOP Plan is established with effect from **<<date of shareholders' approval>>** on which the shareholders of the Company have approved it by way of an ordinary resolution and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Options available for issuance under the ESOP Plan have been issued and exercised, whichever is earlier.
- 1.4 The Board may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP Plan.

2. Definitions and Interpretation

2.1 Definitions

- i. **"Applicable Law"** means every rule, regulation or law relating to Options, including, without limitation, the Companies Act including any enactment or re-enactment thereof, and all relevant tax, securities, exchange control or corporate laws of India.
- ii. **"Board"** means the Board of Directors of the Company.
- iii. **"Committee"** means any such Committee of the Board, as constituted or reconstituted from time to time with a view to administer and supervise the employee stock option Plans of the Company including this Plan.
- iv. **"Companies Act"** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- v. **"Company"** means **Name of the Company** Private Limited a company registered in India having CIN: **_____** and having its registered office at **address of the company**.
- vi. **"Company Policies/Terms of Employment"** means the Company's policies for Employees and the terms of employment as contained in the employment letter and the company handbook,



which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers.

- vii. **“Current Shareholder”** means a person whether a natural individual or a corporate entity, who holds Shares in the paid-up equity share capital of the Company at the relevant point of time and the term Current Shareholders refers to all such Current Shareholders of the Company.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Board for granting the Options to the Employees.
- x. **“Employee”** means
 - (i) a permanent employee of the Company working in India or out of India; or
 - (ii) a Director of the Company, whether a whole time Director or not;
 - (iii) an employee, as defined in sub-clauses (i) or (ii) above, of the Holding or the Subsidiary company(ies), of the Company;

but excludes

 - a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
 - c. a Director being an Independent Director.
- xi. **“Employee Stock Option”** means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xii. **“ESOP Plan”** means the **Name of the Company** Employee Stock Option Plan Year under which the Company is authorized to grant Options to the Employees.
- xiii. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP Plan, in accordance with the procedure laid down by the Company for exercise of Options.
- xiv. **“Exercise Period”** means such period as prescribed in ESOP Plan within which Vested Options may be exercised by an Option Grantee.



- xv. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP Plan.
- xvi. **“Fair Market Value”** means the fair market value of a Share of the Company as determined by a registered valuer or an independent valuer, as required by Applicable Laws for the time being in force and appointed by the Board from time to time.
- xvii. **“Grant”** means issue of Options to the Employees under the ESOP Plan.
- xviii. **“Holding Company”** means any present or future holding Company of the Company, as per the provisions of the Companies Act.
- xix. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act.
- xx. **“Listing”** means listing of the Company’s Shares on any recognized Stock Exchange in India which includes initial public offer of Shares as per Applicable Laws.
- xxi. **“Liquidity Event”** means any event or transaction as decided and approved by the Board as liquidity event for the purposes of this Plan, from time to time, which more particularly includes the following events:
- a. Event conferring a right of tag along to the Option Grantees in terms of provisions of sub-clause 8.3(a) below;
 - b. Strategic Sale event conferring a right of drag along to the Current Shareholders in terms of provisions of sub-clause 8.3(b) of the Plan;
 - c. Purchase of Shares by investor(s) in term of provisions of sub-clause 8.3(c) below;
 - d. Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange in terms of provisions of sub-clause 8.3(d) of the Plan;
 - e. Any other event, which the Board may designate as a Liquidity Event for the purpose of ESOP Plan.
- xxii. **“Misconduct”** means any of the following:
- a. committing of any act warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the Board amounts to a serious breach by an option Grantee of the obligation of trust and confidence to his employer; or
 - c. a finding by the Board that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any



willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Board; or

- d. being convicted of any criminal offence; or
- e. being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Board in the individual's continued employment; or
- f. having acted or attempted to act in any way which in the opinion of the Board has brought or could bring the Company or any other Group member into disrepute or discredit;
- g. breach or violation of any Company policies/ terms of employment;
- h. Any other conduct not included above but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and/or appointment letter.

xxiii. **"Option"** means Employee Stock Option within the meaning of this Plan.

xxiv. **"Option Grantee"** means an Employee who has been granted an Option in pursuance of the ESOP Plan and having a right but not an obligation to exercise the Options and shall deem to include nominee/ legal heir of such Option Grantee in case of death of Option Grantee to the extent provisions of the Plan is applicable.

xxv. **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board.

xxvi. **"Plan"** means and refers to ESOP Plan within the meaning of this Plan.

xxvii. **"Promoter"** means a person:

- (a) who has been named as such in a prospectus or is identified by the Company in the annual return;
- (b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, Director or otherwise; or
- (c) in accordance with whose advice, directions or instructions the Board is accustomed to act:



Provided that nothing in Sub-clause (c) shall apply to a person who is acting merely in a professional capacity.

Provided further that after Listing the term Promoter shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended

xxviii. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document.

Provided that after Listing the term 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 2009, as amended.

xxix. **“Retirement”** means retirement as per the rules of the Company.

xxx. **“Shares”** means equity shares of the Company of face value of Rs.10 (Ten) each fully paid-up including the equity shares arising out of the Exercise of Options granted under ESOP Plan.

xxxi. **“Strategic Sale”** means sale of Shares held by the Current Shareholders to any individual(s), entity(ies) or group(s) other than the Promoter or Promoter Group, of more than 50% (Fifty percentages) of the voting power in the Company and involving change of control over the affairs of the Company or in the constitution of the Board.

xxxii. **“Stock Exchange”** means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.

xxxiii. **“Subsidiary Company”** means any present or future Subsidiary Company of the Company as per the provisions of the Companies Act.

xxxiv. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

xxxv. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP Plan.



- xxxvi. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxvii. **“Vesting Period”** means the period during which the vesting of the Options granted to the Employee, in pursuance of the ESOP Plan takes place.
- xxxviii. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws, as the context requires. Reference to any act, rules, statute or notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their resolution dated [INSERT DATE] approved the Plan authorizing the Board to grant not exceeding [INSERT IN FIGURES AND WORDS] to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than [INSERT IN FIGURES AND WORDS] Shares of face value of Rs.10 each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Options under ESOP Plan that may be granted to each Employee in any year and in aggregate shall not exceed [INSERT IN FIGURES AND WORDS] Options under the ESOP Plan.



- 3.3 If the number of Options that may be offered to any specific employee shall be equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of Options, then the Company shall take prior approval from shareholders of the Company by way of a special resolution in the general meeting.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.5 Where Shares are issued consequent upon exercise of Options under the ESOP Plan, the maximum number of Shares that can be issued under ESOP Plan as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being granted under ESOP Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split remains unchanged after such Share split. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP Plan would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each.

Similarly in case of Share consolidation, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the consolidation is Rs. 20 per Share, the total number of Shares available under ESOP Plan would be (Shares reserved at Sub-Clause 3.1 / 2) Shares of Rs. 20 each.

4. Administration

- 4.1 The ESOP Plan shall be administered by the Board or any such Committee appointed by the Board.
- 4.2 All questions of interpretation of the ESOP Plan shall be determined by the Board/ Committee and such determination shall be final and binding upon all persons having an interest in the ESOP Plan. Neither the Company nor the Board/ Committee shall be liable for any action or determination made in good faith with respect to ESOP Plan or any Options granted thereunder.
- 4.3 The Board/ Committee shall in accordance with this Plan and Applicable Laws determine the following:
- (a) The quantum of Options to be granted under the ESOP Plan per Employee, subject to the ceiling as specified in Para 3.1;



- (b) the Eligibility Criteria for grant of Options to the Employees;
- (c) the Exercise Period within which the Employee should exercise the Options and that Options would lapse on failure to Exercise the Options within the Exercise Period;
- (d) the specified time period within which the Employee shall exercise the Vested Options in the event of termination or resignation of an Employee;
- (e) 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;
- (f) 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, sale of division and others. In this regard following shall be taken into consideration by the Board:
 - (i) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action.
 - (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Options holders.
- (g) the procedure and terms for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave;
- (h) the conditions under which Option vested in Employees may lapse in case of termination of employment for misconduct;
- (i) the procedure for cashless Exercise of Options, if required; and
- (j) approve forms, writings and/or agreements for use in pursuance of the ESOP Plan.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Options under ESOP Plan. The specific Employees to whom the Options would be granted, and their Eligibility Criteria shall be determined by the Board.
- 5.2 The Plan shall be applicable to the Company and any successor Company thereof, as determined by the Board at its sole discretion.



- 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Board at its sole discretion, from time to time.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Plan shall be made on such day and month as decided by the Board at its discretion.
- (b) Each Grant of Option under the Plan shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“**Closing Date**”) which shall not be more than **___ days** from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Board determines otherwise.

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under ESOP Plan shall vest not earlier than minimum period of **1 (one) year** and not later than maximum period of **___ (In words) years** from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore stated.

- 7.2 Vesting of Options would be subject to continued employment with the Company. In addition to this, the Board may also specify certain performance criteria subject to satisfaction of which the Options would vest.

- 7.3 As a prerequisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of



employment/ service, nor be subject to any disciplinary proceedings pending against him on the such date of Vesting.

7.4 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place shall be specified in the letter issued to the Option Grantee at the time of Grant.

7.5 Vesting of Options in case of Employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.

7.6 Power to accelerate Vesting in certain cases

- (i) The Board shall have the power to accelerate Vesting of all Unvested Options in connection with happening of Liquidity Event subject to minimum Vesting Period of one year.
- (ii) The Options remaining unvested as on date of meeting of the Board considering the proposal for such acceleration, may at the discretion of the Board be deemed to vest with effect from that date or from such other date as the Board may determine.
- (iii) In case, after approval of acceleration of Vesting of Unvested Options by the Board, there occurs no Liquidity Event, on consideration of which Board would have approved such acceleration, such non-occurrence shall lead to automatic cancellation of such acceleration as if such proposal was never considered nor approved by the Board as a result of which such Unvested Options shall be subject to normal Vesting schedule.

8. Exercise

8.1 Exercise Price

- (a) The Exercise Price per Options shall be determined by the Board/ Committee which shall not be less than the face value of the Shares of the Company as on date of Grant.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Board may decide from time to time.

8.2 Exercise Period

(a) Exercise while in employment/ service:

The Vested Options can be exercised by the Option Grantees only in connection with or upon happening of a Liquidity Event and/or within such period as determined by the Board in its sole discretion.



(b) Exercise in case of separation from employment/ service:

Subject to the Proviso below, the Options can be exercised as under:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to Misconduct)	<p>All the Vested Options as on date of resignation/ termination will be offered for purchase by the Option Grantee to the existing Employees as well as to the Company*. If either of them agrees to buy, then all the Vested Options as on date of resignation/ termination will be exercised by the Option Grantee on or before his last working day and sell the Shares to the identified person at such price determined by the Board from time to time.</p> <p>In case if the existing Employees or the Company do not buy the offered Vested Options, all the Vested Options as on date of resignation/ termination can be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event, within such period as may be notified by the Board at its sole discretion.</p>	<p>All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from date such resignation/ termination.</p>
2	Termination due to Misconduct	<p>All the Vested Options at the time of such termination shall stand cancelled with effect</p>	<p>All the Unvested Options at the time of such termination shall stand cancelled with</p>



		from the date of such termination.	effect from the date of such termination.
3	Retirement	All the Vested Options as on date of Retirement can be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event or settled in cash, within such period as may be notified by the Board at its sole discretion.	All Unvested Options on the date of Retirement shall stand cancelled with effect from date of Retirement.
4	Death	All the Vested Options as on date of death can be exercised by the Option Grantee's nominee or legal heir only in connection with/ upon happening of Liquidity Event or settled in cash, within such period as may be notified by the Board.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	Permanent Incapacity	All the Vested Options as on date of Permanent Incapacity can be exercised by the Option Grantee only in connection with/ upon happening of Liquidity Event or settled in cash, within such period as may be notified by the Board at its sole discretion.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee and can be exercised in the manner defined for Vested Options.
6	Abandonment of employment	All the Vested Options shall stand cancelled with effect	All Unvested Options shall stand cancelled with effect



		from such date as determined by the Board.	from such date as determined by the Board.
7	Termination due to reasons apart from those mentioned above	The Board shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

(*Provisions of Section 68 of Companies Act, 2013 will be applicable in case if the Company buys the Shares from an Employee.)

8.3 Exercise in case of Liquidity Events prior to Listing:

a) Tag along rights of the Option Grantees:

- (i) Notwithstanding anything contained hereinabove but subject to provisions on Drag-along rights of Current Shareholders, if prior to Listing, the Current Shareholders ("Selling Shareholder") intend to sell ("the Sale") any Equity Shares ("the Sale Shares") to any person ("the Intended Purchaser") in one or more tranches, resulting in their combined current Shareholdings in the Equity Share capital of the Company to fall by 10% or more, the Option Grantees who hold Vested Options or Shares, as the case may be, as on the date of issue of the Sale Notice (as explained below) shall have the right, but not the obligation, to offer proportionate number of Shares or exercise a proportionate number of the Vested Options and sell the resultant Equity Shares arising out of such exercise. The Selling Shareholder shall put in their best endeavor to ensure that the Intended Purchaser pays to the Option Grantees on terms no less favorable than those of the Sale as more particularly mentioned hereunder.
- (ii) The Selling Shareholder shall give a written notice ("Sale Notice") to the Option Grantees containing the salient features of the Sale and an offer ("Offer") to tag along a proportionate number of the Option Grantees' Equity Shares along with the Sale Shares in accordance with the provisions of this Clause. The Sale Notice shall specify the number of Sale Shares, the price at which they are proposed to be sold, the terms and conditions of the proposed Sale and the time within which the Offer must be accepted ("Offer Period") following which the Offer shall be deemed to be lapsed. The Offer Period shall not be less than 5 business days from the date of receipt of the Sale Notice by the Option Grantees. Once the offer is made, it shall be irrevocable during the Offer Period.



Explanation: This tag along clause would be triggered only if the combined equity shareholding of the Current Shareholders in the equity share capital of the Company falls by 10% or more of their current shareholdings as a result of sale of equity shares. Thus, for example, if shareholding of the Current Shareholders, as a result of such sale falls by 10%, then an option holder would be entitled to exercise and sell 10% of his/her shareholding or Vested Options subject to offer made by the Selling Shareholders.

Provided that nothing in this clause shall apply to transfer of Shares amongst the Current Shareholders or by the Current Shareholder(s) to any other individual in the family or to any Company in which such Current Shareholder(s) has more than 51% beneficial interest. For this purpose, 'any other individual in the family' means any parent, brother, sister, spouse, son or daughter.

b) Exercise arising from Drag Along rights of the Current Shareholders:

- (i) Notwithstanding anything contained elsewhere in this Plan, in case prior to Listing, to facilitate the Strategic Sale as defined at sub-clause (xxxi) of this ESOP Plan, the Current Shareholders shall have the right of drag-along of any or all the Shares underlying the Vested Options of the Option Grantees or the Shares of the Option Grantees from exercise of Vested Options previously, if any. However, this drag-along shall be on terms not less favourable than those of the sale of the Shares held by the Current Shareholders as more particularly mentioned hereunder.
- (ii) The Current Shareholders desiring to exercise their rights stated sub-clause (i) above shall deliver a written Notice to each Option Grantee setting out the salient feature of the Strategic Sale and details of the terms and conditions including number of Shares to be dragged-along, price per Share, the manner and mode of transfer of Shares ("Notice").
- (iii) Option Grantees shall exercise the Vested Options to meet the drag-along obligation as set out in the Notice. The new Shares arising out of the exercise of Vested Options pursuant to the Notice shall be offered by the Option Grantee.
- (iv) Each Option Grantee shall take all necessary and desirable actions in connection with the completion of the Strategic Sale, including exercising of their Vested Options, executing agreements and instruments and taking other actions as may be reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions and other provisions and agreements, as the case may be, required to complete the Strategic Sale.



- (v) If an Option Grantee fails for any reason to take any of the actions described above, he/she shall be deemed to have appointed any of the Company Director nominated by the Company as his/her attorney, on his/her behalf and in his/her name, with full power, to execute, complete and deliver any document or instrument or to take any other action, including to receive the proceeds of the sale and to give good quittance for the sale price in order to complete the Strategic Sale. The Option Grantee shall confirm and ratify the acts of such Company Director acting as his attorney under this clause.

c) Offer for purchase by Investor

- (i) Prior to Listing, any individual, entity or group ("Investor") who intends to subscribe the Shares of the Company and/or acquire Shares from the Current Shareholder(s), shall have the right to make an offer ("Offer") to the Option Grantees for purchase of any or all Shares underlying their Vested Options.
- (ii) The Investor shall intimate its/his/their intention of such Offer to the Board along with details namely the salient features of the Offer and details of the terms and conditions including, the time period within which the Vested Options must be exercised to take part in the Offer, number of Shares intended to be purchased, and purchase consideration thereof.
- (iii) The purchase consideration shall not be lesser than the consideration which the Investor would be paying in respect of Shares subscribed from the Company and/or purchased from Current Shareholders, whichever is higher. Furthermore, the Offer size shall be proportionate to the reduction of shareholding in the paid-up share capital of the Company of the Current Shareholders due to Investor action. For example, if such shareholding of Current Shareholders falls by 60%, as a result of such intention of the Investor to subscribe or acquire Shares, the Offer size in aggregate made to the Option Grantees shall not exceed 60% of total of Vested Options and Shares.
- (iv) The Board shall intimate the details of such Offer along with the number of Vested Options to be exercised to the Option Grantees individually. The Offer shall be accepted by each Option Grantee whether in employment or not.
- (v) Each Option Grantee shall take all necessary and desirable actions in connection with the purchase, including exercising of their Vested Options, executing agreements and instruments and taking other actions as required for completing the purchase and provisions of sub-clause (iv) above shall apply to this clause to the extent relevant.



d) Listing or an Initial Public Offering

Post Listing of the Shares of the Company on a Stock Exchange, Option Grantee can sell Shares in the secondary market or otherwise any time in accordance with Applicable Laws and Company Policy, subject to any restriction on the transferability of Shares as per Applicable Laws.

8.4 Procedure of Exercise

The Options can be exercised by the Option Grantees by a written application to the Company in the format as may be prescribed in due course keeping in view the administrative and/ or the legal requirements prevailing at that time.

8.5 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in sub-clauses of Clause 8 shall lapse and be deemed to cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

9. Cash Settlement of Vested Options (Optional clause only if cash settlement is opted by the Company)

9.1 Prior to the Listing, in case none of the Liquidity Events happens, the Board at its discretion shall have the right, without any obligation, to prescribe for cash settlement of any or all unexercised Vested Options.

9.2 The consideration for the cash settlement shall be decided by the Board/ Committee with reference to the Fair Market Value prevailing as on date of Board meeting approving the proposal for cash settlement or buy-back, provided that such consideration is adjusted for the Exercise Price in case of cash settlement.

9.3 To the extent unexercised Vested Options are settled by way of cash payment, all rights of the Option Grantee therein including right to exercise such Options shall be deemed to be settled and extinguished with effect from date of receipt of the cash payment.

10. Right to prescribe for cashless Exercise of Options

Notwithstanding anything contained in the foregoing provisions relating to Exercise of Options, the Board is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless exercise of Options as may be necessary and the same shall be binding on all the Option Grantees. The procedure may *inter alia* require the Option Grantees to authorize any person nominated



by the Company to deal with the Options on the Option Grantees' behalf till the realization of sale proceeds.

11. Lock-in of Shares

The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise.

12. Clawback

12.1 Subject to compliance of the Applicable Laws, upon occurrence of Misconduct on part of the Option Grantee or in event of termination due to Misconduct, the Company shall have the right of executing clawback in respect of Options granted and all other benefits accrued to the Option Grantee under the Plan.

12.2 A clawback shall be understood under ESOP Plan as a commercial arrangement being executed and evidenced on the acceptance of the Grant to the extent permitted under the Applicable Laws, resulting in any one or more of the following means:

- (a) Relinquishment of Options outstanding with the Option Grantee; or
- (b) Exercising lien over Shares held by the Option Grantee allotted under the Plan under such mechanism as determined; or
- (c) Furnishing of Shares held if any by the Option Grantee as surety or security against any damages or ascertained claim by the Company against the Option Grantee due to Misconduct; or
- (d) Recovery by the Company of benefits made available to the Option Grantee under the Plan in such manner as determined.

13. Restriction on transfer of Options

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

13.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at Sub-clause 8.2(b) would apply.

13.3 No person other than the Employee to whom the Options is granted shall be entitled to Exercise the Options except in the event of the death of the Option Grantee holder, in which case provisions at Sub-clause 8.2(b) would apply.



14. Other Terms and Conditions

14.1 Listing of Shares

In case of Listing, the Board is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time including imposition of lock-in restrictions for certain classes of Employees.

14.2 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Options granted, till Shares underlying such Options are allotted on Exercise of such Options.

14.3 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.

14.4 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Clause 4.3(f) of ESOP Plan.

15. Deduction/Recovery of Tax

15.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.

15.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

15.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

16. Authority to vary terms



For the purpose of efficient implementation and administration of the ESOP Plan, the Board may, if it deems necessary, vary the terms of ESOP Plan, including pursuant to meeting any regulatory requirements, subject to the Applicable Laws and the conditions of the shareholders' approval, in such manner which is not detrimental to the interest of employee.

17. Miscellaneous

17.1 Government Regulations

This ESOP Plan shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment of Shares under this ESOP Plan shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

17.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to issue or sell such Shares.

17.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Options shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Options on any other occasion.

17.4 The rights granted to an Option Grantee upon the grant of an Options shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

17.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Options in whole or in part.

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or



- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 All notices of communication to be given by an Option Grantee to the Company in respect of ESOP Plan shall be sent to the address mentioned below:

Designation :

Address : **Name of the Company & Address of the Company**

Email : <<INSERT MAIL>>

19. Nomination

The Employee must nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

20. Accounting and Disclosures

20.1 The Company shall follow the rules/regulations applicable to accounting of Options..

20.2 The rules/regulations to be followed shall include but not limited to the IND AS/ 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 or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

21. Governing Laws

21.1 The terms and conditions of the ESOP Plan shall be governed by and construed in accordance with the laws of India including the Income Tax Laws and Foreign Exchange Laws mentioned below.

21.2 Income Tax Laws

The provisions of the Income Tax Act, 1961 and Rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Options.

21.3 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India belonging to the Company, the provisions of the Foreign Exchange Management Act, 1999 and 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 in connection with grant, vest, exercise of Options and allotment of Shares thereof.

22. Jurisdiction

- 22.1 The Courts in Chennai, Tamilnadu, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP Plan.
- 22.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP Plan:
- (i) in any other court of competent jurisdiction; or
 - (ii) con-currently in more than one jurisdiction.

23. Severability

In the event any one or more of the provisions contained in this ESOP Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this ESOP Plan, but ESOP Plan shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOP Plan shall be carried out as nearly as possible according to its original intent and terms.

24. Confidentiality

- 24.1 An Option Grantee must keep the details of the ESOP Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.



CIN: of the company

-----End of Plan-----