



SHARE INDIA EMPLOYEES STOCK OPTION SCHEME - II

SHARE INDIA SECURITIES LIMITED

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Corp. Office: A-15, Sector-64, Noida-201301

CIN: L67120GJ1994PLC115132

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Part A: Statement of Risks

All investments in shares or options on shares are subject to risk as the value of shares may go down or go up. In addition, employee stock options are subject to the following additional risks:

1. Concentration

The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.

2. Leverage

Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a levered position in the share.

3. Illiquidity

The options cannot be transferred to anybody, except in the case of death, and therefore the employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.

4. Vesting

The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the services of the employee are terminated with cause as defined in Section 21.4 - "Termination with cause"

Part B: Information About The Company

5. Profile of the Company

Share India Securities Limited incorporated in 1994, is one of the India's leading diversified, technology-driven financial services companies, providing a wide range of financial products and services to a client base that includes institutions, HNIs, and individuals. Within a span of over two decades, we have grown from a traditional stockbroker to a hi-tech broking company specializing in derivative trading strategies and growing from strength to strength to diversify revenue streams.

Our robust technology and low latency trading platforms and deep understanding of market wide technology infrastructure enables us to offer customized and holistic solutions and gain a distinct edge. Our biggest strength lies in our resolute commitment to our motto, "You Generate, We Multiply" through a transparent, honest, and customer-centric approach. The industry is going through a consolidation phase owing to rising compliance cost and shifting consumer demographics. Rising urbanization and well-informed, tech-savvy millennial population are expected to accelerate the use of technology and drive financial services market growth. As a full-service broking house, we have a broking presence in equity, futures & options, currency, and commodities. Our foray into the NBFC business, insurance broking, merchant banking, portfolio management, and mutual fund distribution has made us a 360-degree financial services conglomerate. We have consistently grown and expanded, organically and inorganically, to establish ourselves as one of the largest broking company. Share India has a market share of around 8% in NSE's equity option markets which is one of the fastest growing markets.

We are :-

- Member broker of National Stock Exchange of India Limited (NSE), BSE Ltd (BSE), Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and Indian Commodity Exchange Limited (ICEX);
- Affiliated with Central Depositories Services (India) Limited (CDSL) as Depository Participant;
- SEBI registered Portfolio Manager;
- SEBI registered Research Analyst;
- AMFI registered Mutual Funds Distributor

Our subsidiaries and associates:

Name	Relationship with Share India Securities Limited	Business Activity
Share India Fincap Private Limited	Wholly Owned Subsidiary	NBFC
Share India Insurance Brokers Private Limited	Subsidiary	Insurance Broking
Share India Securities (IFSC) Private Limited	Wholly Owned Subsidiary	Equity Broking

Share India Capital Services Private Limited	Wholly Owned Subsidiary	Investment Banking
Total Securities (IFSC) Private Limited	Wholly Owned Subsidiary	Equity Broking
Total Securities Overseas Limited	Wholly Owned Subsidiary	Equity Trading (Global Market)
Share India AlgoPlus Private Limited (formerly known as Total Commodities (India) Private Limited)	Wholly Owned Subsidiary	Trading
Share India Global Pte. Ltd.	Wholly Owned Subsidiary	Trading (Global Market)
Share India Smile Foundation	Wholly Owned Subsidiary	Section 8 Company
Algowire Trading Technologies Private Limited	Subsidiary	Algorithmic trading
uTrade Solutions Private Limited	Subsidiary	Tech. solution Company
Silverleaf Securities Research Private Limited	Subsidiary	Stock broking and trading in own account

6. Abridged financial information

The abridged financial information for the last 5 (Five) years for which audited financial information is available along with last audited accounts is available at the website of the Company at a given below link: <https://www.shareindia.com/static/annual-reports.aspx>

7. Risk factors

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings rates, our ability to manage growth, intense competition in our areas of services including those factors which may affect our cost advantage, our ability to attract and

retain highly skilled professionals, time and cost overruns on fixed-price contracts, client concentration, our ability to manage our marketing & sales operations, political instability, legal restrictions and general economic conditions affecting our industry.

An investment in the common stock involves a number of risks, some of which, includes market, liquidity, credit, operational, legal and regulatory risks, could be substantial and are inherent in our businesses. You should carefully consider the following information about these risks, together with the other information in this disclosure document, before accepting the grant of options.

Our businesses are materially affected by conditions in the financial markets and economic conditions generally, both in India and elsewhere around the world. The equity and debt markets in India and elsewhere have achieved record or near record levels, and this favorable business environment will not continue indefinitely. In the event of a market downturn, our businesses could be adversely affected in many ways, including those described below.

1. *We may incur significant losses from our trading and investment activities due to market fluctuations and volatility.*
2. *We may generate lower revenues from commissions/brokerage in a market downturn.*
3. *Holding large and concentrated positions may expose us to large losses.*
4. *Our hedging strategies may not prevent losses*
5. *A prolonged market downturn could impair our operating results.*
6. *We may not be able to recover fully the payment due to us by our clients.*
7. *Unforeseeable regulatory changes may adversely impact our profitability & continuity of our operations.*

In addition to the potentially adverse effects on our businesses described above, market risk could exacerbate other risks that we face. For example, if we incur substantial trading losses, our need for liquidity could rise sharply while our access to liquidity could be impaired. In addition, in conjunction with a market downturn, our customers and counterparties could incur substantial losses of their own, thereby weakening their financial condition and increasing our credit risk to them.

8. Continuing disclosure requirement

The Option grantee shall receive copies of all documents that are sent to the members of the company. This shall include the Annual Accounts of the company as well as notices of meetings and the accompanying explanatory statements

Part C: Share India Employees Stock Option Scheme - II

9. Name of the Scheme

This Scheme shall be termed as the **Share India Employees Stock Option Scheme - II** ("Scheme"/ "ESOS Scheme"/ "ESOS - II"). The ESOS –II shall be effective on receipt of the approval from the shareholders in the Shareholders' Meeting and shall continue to be in force until the date on which all of the options available for issuance as per the approval granted by the shareholders have been vested and exercised.

10. Purpose of the Scheme

Share India Securities Limited (hereinafter referred to as "**the Company**"), a company incorporated and registered under the provisions of the Companies Act, 1956 [CIN: L67120GJ1994PLC115132] has structured this Scheme for its employees to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance which will ultimately contribute to the success of the Company.

11. Definitions

Except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

- a. "**Acceptance Form**" shall mean the form, which the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Scheme.
- b. "**Applicable Laws**" means/ shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with, the laws of India, without regard to the application of the conflicts of laws' provisions thereof.
- c. "**Associate Company**" shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 (18 of 2013).
- d. "**Beneficiary**" means the person, persons, trust or trusts designated by a Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.
- e. "**Board**" means the Board of Directors of the Company.
- f. "**Cause**" means, as determined by the Compensation Committee and shall include instances where an Employee:
 - i. breaches any of the terms of this Plan, the employment agreement or such other document governing the employment of the Employee the breach of which is either (i) incapable of remedy; or (ii) if capable of remedy, has not been remedied by the Employee within a period of 15 (fifteen) days after receipt of

- notice of such breach from the Company or where the Employee refuses or neglects to comply with any reasonable and lawful directions of the Company; or
- ii. commits any act of gross misconduct or repeats or continues (after warning) any other fraudulent or material or serious breach of his obligations under this Plan; or
 - iii. is found guilty of moral turpitude, fraud, misrepresentation, dishonesty, gross negligence, or such similar activities; or
 - iv. is found guilty of any conduct which in the opinion of the Board brings him/her and the Company into serious disrepute or detrimental to the interest of the Company any of its affiliates, monetarily or otherwise; or
 - v. has submitted false and/or forged documents of qualifications, experience, certificates, *etc* or made false representation and/or suppressed any material or relevant information required to be disclosed by him/her; or
 - vi. fails or ceases to meet the requirements of any regulatory body whose consent is required to enable him/her to undertake all or any of his/her duties under this Plan or is guilty of a serious breach of the rules and regulations of such regulatory body or any of the policies of the Company; or
 - vii. is in serious breach of the policies issued by the Company from time to time including anti-bribery and/or its electronic communication systems; or
 - viii. makes wrongful disclosure of any secret or confidential information about the Company to any third party; or
 - ix. is convicted by a court of competent jurisdiction of a criminal offence or indicted of any criminal offence, which in the reasonable opinion of the Board, will detrimentally affect the Company; or
 - x. has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force or the Employee is liable to be dealt with in any way under the Applicable Laws relating to mental health; or
 - xi. has become an undischarged insolvent or has applied to be adjudicated as an insolvent and the application is pending; or has not been declared as fugitive economic offender u/s 12 of “Fugitive Economic Offender Act- 2018”;
 - xii. has been in continued absence, without formal request or permission from the management of the Company for the same as per the applicable human resource policy of the Company and as may be determined by the Nomination and Remuneration Committee based on the circumstances of the case, the Eligible Employee has been deemed to have abandoned, left and relinquished his service with the Company;
- g. **"Closing Date"** means the last date on which the offer of Options by the Company to a Participant can be accepted. In case the last date is a non-working day, then it shall be the next working day.
- h. **"Company"** means the Share India Securities Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 [CIN: L67120GJ1994PLC115132].
- i. **"Committee"/ "Compensation Committee"** means the Nomination and Remuneration

Committee of the Board constituted as per the provisions of the Companies Act, 2013 and as per Regulation 19 of the SEBI (LODR) Regulations, 2015 and which inter-alia, has been delegated the power of administration and superintendence of ESOS 2022, pursuant to the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As per Regulation 5 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the existing Nomination and Remuneration Committee of the Board has been designated as the Compensation Committee for the purpose of this ESOS 2022.

- j. **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- k. **"Corporate Action"** shall have the meaning as understood under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- l. **"Eligible Employee"** means an Employee who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal process by the Compensation Committee and who is otherwise nominated by the Compensation Committee as being eligible for issue of Options.
- m. **"Employee"** means
 - (i) an employee as designated by the company, who is exclusively working in India or outside India; or
 - (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii) above, of a group company including subsidiary (present and/or future) or its associate company (present and/or future), in India or Outside India, but does not include:
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who, either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;
- n. **"Exercise"** means making of an application by the Participant to the Company/Committee for issue of Shares against the Vested Options in pursuance to this Scheme on payment of the Exercise price.
- o. **"Exercise Date"** means the date on which the Participant exercises his/her Options and in case of partial exercise shall mean each date on which the Participant exercises part of his/her Options.
- p. **"Exercise period"** means the time period after vesting within which the employee should exercise his/her right to apply for allotment of shares against the vested Options in pursuance of the ESOS - II.
- q. **"Exercise price"** means the purchase price of each Share payable by the Participant for exercising the Option granted to him/her in pursuance of the Scheme.
- r. **"FEMA Regulation"** means the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 [earlier the Transfer or issue of security by person resident outside India]

Regulations, 2017 notified vide Notification No. FEMA 20(R)/2017-RB dated November 07, 2017, as amended from time to time.

- s. **"Grant"** means the process by which a Grantee is given an Option under ESOS.
- t. **"Grant Date"** means the date on which the Compensation Committee approves the Grant of Options.
- u. **"Grant letter"** means the letter by which grant of an Option is communicated to the Grantee.
- v. **"Grantee"** shall mean an Eligible Employee at the time of Grant of the Option and who in the opinion of the Compensation Committee is declared to be eligible to participate under the Scheme.
- w. **"Independent Director"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- x. **"Key Managerial Personnel"** shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 (18 of 2013).
- y. **"Market Price"** means the latest available closing price on a recognised 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 recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price.
- z. **"Option"** means the option given to an Employee, which gives such an Employee a right to purchase or subscribe at a future date, the shares offered by the Company, at a pre-determined price as per this Scheme.
- aa. **"Option Grantee"** means an Employee having a right but not an obligation to exercise an Option in pursuance of ESOS- II;
- bb. **"Participant"** means a Grantee who accepts an offer from the Company to participate in ESOS - II.
- cc. **"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.
- dd. **"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
- ee. **"Recognized Stock Exchange"** means a stock exchange which has been granted recognition under Section 4 of the Securities Contracts (Regulations) Act, 1956.
- ff. **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013 (18 of 2013).
- gg. **"Relevant Date"** means,-
 - (i) in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or
 - (ii) in the case of exercise, the date on which the notice of exercise is given to the company/committee.

- hh. **"Scheme"** shall mean the Share India Employees Stock Option Scheme - II and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- ii. **"SEBI ESOS Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- jj. **"Share"/ "Equity Share"** means an equity Share of the Company of face value of Rs. 2/- each.
- kk. **"Shareholder"** means the registered holder of any share in the share capital of the Company.
- ll. **"Termination Date"** means the date of termination of employment of the Participant with the Company.
- mm. **"Unvested Option"** means an Option, which is not a Vested Option.
- nn. **"Vesting"** means the process by which the Participant becomes entitled to receive the benefit of a Grant made to him/her under the Scheme
- oo. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.
- pp. **"Vesting period"** means the period during which the Vesting of Option under ESOS – II takes place
- qq. **"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.

12. Construction

- a. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI ESOS Regulations or Guidelines issued thereunder, the Companies Act, 2013, Securities Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956, or any statutory modification or reenactment thereof, as the case may be.
- b. The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles, which shall be interpreted solely in light of the contents thereof.
- c. Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- d. Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- e. The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

13. Eligibility

An Employee shall be eligible to participate in the Scheme, as determined by the Compensation Committee.

Only Eligible Employees as defined herein are eligible under this Scheme. Subject to this, the Compensation Committee shall, at its sole discretion, determine, which Employee or category of Employees shall be eligible for Grant of Options and the terms of Grant thereof and accordingly, the Company would offer the Options to the identified Eligible Employees based on the performance, experience, loyalty, etc.

Where any Employee is a director nominated by an institution as its representative on the Board of Directors of the company:

(i) the contract or agreement entered into between the institution nominating its employee as the director of a company and the director so appointed shall, inter alia, specify the following:

- a. whether the grants by the company under its scheme(s) can be accepted by the said employee in his capacity as director of the company;
- b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and
- c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the company.

(ii) the institution nominating its employee as a director of the company shall file a copy of the contract or agreement with the said company, which shall, in turn file the copy with all the recognised stock exchanges on which its shares are listed.

(iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the company attended by him after his nomination.

It is clarified that the benefit of ESOS - II is extended to the Employee of Subsidiary and /or associate company(ies) of the Company.

14. Implementation & Administration of the Scheme

14.1 The ESOS Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment.

14.2 Implementation, administration and superintendence of ESOS – II shall be through the Nomination and Remuneration Committee of the Board of Directors. Nomination and Remuneration Committee has been designated as the Compensation Committee for the purpose of the SEBI ESOS Regulations.

It is clarified that the Scheme shall not be implemented through any Trust.

14.3 The Scheme shall be administered by the Nomination and Remuneration Committee, as constituted and as may be reconstituted by the Board of Directors of the Company.

14.4 The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie

within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and/or Participants and their beneficiaries or successors). The Committee shall, inter-alia, do the following:

- a. Adopt rules and regulations for implementing the Scheme from time to time.
 - b. Identify the Employees eligible to participate under the Scheme.
 - c. Grant Options to the identified Eligible Employees and determine the date of Grant.
 - d. Determine the number of Options to be granted to each Grantee.
 - e. Determine the number of Shares of the Company to be covered by each Option granted under the Scheme.
 - f. Determine the method for exercising the Vested Options.
 - g. Determine the Exercise price of the Options granted.
 - h. Determine the procedure for making a fair and reasonable adjustment to the number of options
 - i. Determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option granted hereunder
 - j. Approve forms or agreements for use under the Scheme
 - k. Construe and interpret the terms of the Scheme, and the Options granted pursuant to the Scheme
 - l. Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (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 to be followed by the Participants.
 - m. Frame rules and regulations, prescribe forms and issue circulars or orders in relation to the Scheme and may from time to time amend, recall or replace such rules and regulations, forms, orders and circulars.
 - n. Decide all other matters that must be determined in connection with an Option under the Scheme
- 14.5 All decisions made by the Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Grantee and/ or Participants and their beneficiaries or successors). Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.
- 14.6 The Committee shall frame suitable policies and systems to ensure that there is no violation of:
- i. Securities and Exchange Board of India (Insider Trading) Regulations, 2015;
 - ii. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - iii. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003
 - iv. The Guidelines issued under the Income-tax Act, 1961, for Grant of ESOPs so as to be eligible for exemption thereunder.
 - v. The Companies Act, 2013
 - vi. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

15. Share limit

15.1 The aggregate number of the Options that may be granted under Share India Employees Stock

Option Scheme - II shall not exceed 10,00,000 (Ten lakhs Only) options, exercisable into equal number of equity shares of face value of Rs. 2/- (Rupees Two Only) each fully paid-up of the Company. Accordingly, the maximum number of Shares that may be issued pursuant to exercise of Options granted to the Participants under this Scheme shall not exceed 10,00,000 (Ten Lakhs only) Shares of the Company. The Company reserves the right to increase or reduce such number of Shares as it deems fit, subject to the compliance of applicable law.

- 15.2 If an Option cancels, expires, lapses (including those having lapsed by way of forfeiture) or becomes un-exercisable due to any reason, it shall be added back to the number of Options that are pending to be granted and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 15.3 Where Shares are issued consequent upon exercise of an Option under the ESOS - II, the maximum number of Shares that can be issued under ESOS – II as referred to in Clause 15.1 above shall stand reduced to the extent of such Shares issued.
- 15.4 In case of a Share split or consolidation, if the revised face value of the Share is less or more 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 ESOS - II 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 or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs.10 per Share and the revised face value after the Share consolidation is Rs.100 per Share, the total number of Shares available under ESOS - II would be (Shares reserved at Sub-Clause 15.1/ 10) Shares of Rs.100 each. Accordingly, the number of Options to be issued will also undergo a change.
- 15.5 It is clarified that as the Scheme is not proposed to be implemented through Trust; there won't be any secondary market acquisition for the purpose of implementation of the Scheme.
- 15.6 The ESOS - II shall be valid from the date of its approval till all the Options under this Scheme are granted and exercised.

16. Grant of Options

- 16.1 The Committee may, on such dates as it shall determine, Grant to such Eligible Employees as it selects, Options of the Company in accordance with the terms and conditions of the Scheme for the time being in force.
- 16.2 The Committee shall follow the following broad guidelines in selection of the eligible employees and the quantum of option to be granted to them:
- a. present grade and compensation structure of the employee
 - b. performance of the employee
 - c. length of service of the employee
 - d. exceptional contribution made by the employee
 - e. integrity and behavior of the employee
 - f. such other parameters as it may decide.
- 16.3 Each Option will entitle the Participant to one Share of the Company.
- 16.4 The maximum number of the Shares that may be issued pursuant to the grant of the Options to any one Grantee under ESOS - II shall be 2,50,000 (Two Lakh Fifty Thousand only), save as provided in SEBI Regulations, maximum number of shares with respect to which Options may be granted to a single Employee, during any one year, shall not exceed 1% of the issued capital of the Company at the time of grant of option.
- 16.5 The Grant of the Options by the Committee to the Grantee shall be made in writing and

communicated to the Grantee. Such a Grant shall state the number of Options offered, the Exercise price and the Closing date of accepting the offer.

- 16.6 The Closing Date shall not be more than 30 (Thirty) days from the Grant Date.
- 16.7 An offer made under clause 16.5 above is personal to the Grantee and cannot be transferred in any manner except as provided under clause 21.1 mentioned hereinunder.

17. Method of acceptance

- 17.1 Any Grantee who wishes to accept a grant under ESOS - II must deliver an Acceptance Form, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the Closing date stated in the Grant letter.
- 17.2 Any Grantee who fails to return the Acceptance Form on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the offer. Any Acceptance Form received after the Closing date shall not be valid.
- 17.3 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant.
- 17.4 It is clarified that no amount shall be payable by the grantee at the time of acceptance of Grant.

18. Vesting of Options

- 18.1 Subject to the terms contained herein, the acceptance in accordance with Clause 17 above of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 18.2 As per SEBI ESOS Regulations, there shall be a minimum period of one year between the grant of options and vesting of options.
- 18.3 Options granted would vest, subject to the minimum vesting period of one year between grant of Options and vesting of Options. The maximum vesting period may extend up to five years from the date of grant of Options at the discretion of and in the manner prescribed by the Committee.
- 18.4 Vesting of Options would be subject to continued employment with the Company and/ subsidiary company(ies) and/ associate company(ies).
- 18.5 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company/ its Subsidiary Company(ies)/ its associate company(ies) 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. In case of any disciplinary proceedings against any Option Grantee, the Committee can keep the relevant Vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 18.6 The Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which options granted would vest and/or lock in period subject to which the Options would vest.
- 18.7 **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 the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

19. Exercise Price and schedule of payment

- 19.1 Exercise price shall be the price, payable by the employee for exercising the options granted in

pursuance of this scheme, which would be at par value (INR 2/- per share) or such higher price as determined by Nomination & Remuneration Committee.

- 19.2 Payment of the Exercise Price shall be made in cash or by a crossed cheque or a demand draft drawn in favour of the Company or by any of the electronic means including RTGS, NEFT, IMPS etc. or in such other manner as the Nomination and Remuneration Committee may decide from time to time.

20. Exercise of Options

- 20.1 The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Scheme.
- 20.2 Subject to clause 21.1 below, the Participant alone can exercise the Vested Option.
- 20.3 Subject to clause 18 above and clause 21 below, the Employee can exercise the Vested Options within the Exercise Period. Such exercise may be of all Vested Options or part of the Vested Options in one or more tranches, subject to clause 20.5 below.
- 20.4 The exercise period shall be determined by the Committee in its sole and absolute discretion. However, the Exercise Period shall commence from the date of Vesting and expire not later than 1 year from the last Vesting Date. The Exercise Period can be extended only under special circumstances at the discretion of the Committee upon a specific request made by the Participant/beneficiary concerned to this effect.
- 20.5 No fraction of a Vested Option shall be exercisable in its fractional form.
- 20.6 Exercise of the Options shall take place at the time and place designated by the Committee or the Company and by executing such documents as may be required under the Applicable Laws to pass a valid title to the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 20.7 An Option shall be deemed to be exercised only when the Committee receives notice of exercise and the Exercise Price in accordance with clause 19 of the Scheme from the person entitled to exercise the Option.
- 20.8 On Exercise, the Participant can subscribe to the Shares on the full payment of the Exercise price and taxes, if any, required to be deducted by the Company in respect of exercise of the Option, and the Company shall allot the Shares to the Participants after completing the necessary formalities in this regard, provided the Committee / Company finds the Exercise form complete and conditions of the Scheme are complied with. Subsequent to allotment, no Participant should seek to sell or otherwise transfer the Shares until there is a confirmation from the Company that the listing procedures with respect to the allotted Shares have been completed.
- 20.9 In order to make the ESOS - II more attractive to the employee, there would not be any lock-in period for the shares issued consequent upon exercising the options under the ESOS - II.
- 20.10 Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in this Scheme, such unexercised Options shall lapse.
- 20.11 The Compensation Committee shall determine the process of Exercise at the time of grant in line with SEBI Regulations. Further there shall not be any funding of financing by the Company for Exercise of Options.

21. Termination of employment

S.No.	Event of Termination	Vested Options	Unvested Options
21.1	Death	All the Vested Options granted under Share India ESOS –II to him till his death shall be permitted to be exercised within 1 (one) year from the date of death.	All the Unvested Options granted under Share India ESOS –II to him till his death shall vest immediately, with effect from the date of his/her death, in the nominee/ legal heir (“Beneficiary”) of the deceased Participant & shall be permitted to be exercised within 1 (one) year from the date of death.
21.2	Permanent Incapacity	All the Vested Options granted under Share India ESOS –II to him till the date of incurring of such permanent incapacity shall be permitted to be exercised within 1 (one) year from the date of termination owing to such incapacity.	All the Unvested Options granted under Share India ESOS –II to him till the date of incurring of such permanent incapacity shall vest immediately in him on that day i.e. the date of permanent incapacitation & such Options shall be permitted to be exercised within 1 (one) year from the date of termination owing to such incapacity.
21.3	Retirement or Superannuation	All the Vested Options granted under Share India ESOS –II to him till the date of retirement or attainment of superannuation age shall be permitted to be exercised within the exercise period as may be determined by the Compensation Committee.	All Unvested Options granted under Share India ESOS –II to him till the date of retirement or attainment of superannuation age shall continue to vest as per vesting schedule in accordance with company’s policies and the applicable law. Exercise of such Options shall be permitted within the exercise period as may be determined by the Compensation Committee.
21.4	Termination with cause	All the vested Options at the day of such termination shall expire.	All the Unvested Options at the day of such termination shall expire.
21.5	Resignation	All the vested Options at the day of such resignation shall be permitted to be exercised within 30 days from the date of resignation.	All the Unvested Options at the day of such resignation shall expire.
21.6	Termination without cause	All the vested Options at the day of such termination shall be permitted to be exercised within 60 days from the date of termination.	All the Unvested Options at the day of such termination shall expire.

21.7	Transfer of Employee to subsidiary or associate company	The vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.	The vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.
21.8	Transfer of Employee pursuant to scheme of arrangement, amalgamation, merger or demerger	In the event that an Employee who has been granted benefits under the Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.	In the event that an Employee who has been granted benefits under the Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.
21.9	Any other event not specified above	As decided by the Committee & such decision shall be final.	As decided by the Committee & such decision shall be final.

22. Notices and correspondence

- 22.1 Any notice required to be given by a Participant to the Company or the Committee or any correspondence to be made between a Participant and the Company or the Committee may be given or made to the Company at the registered office or corporate office of the Company or to the Committee as may be notified by the Company in writing.
- 22.2 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOS - II shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
 - Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
 - 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 in case of cessation of employment at the email address provided by the Option Grantee.

23. Nomination

Each Participant under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant. Such nomination shall be in a form prescribed by the Company/Committee and will be effective only when filed by the Participant in writing with the Company/Committee during the Participant's lifetime.

24. Non-transferability of Options/ Buyback

- 24.1 The Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 24.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at clause 21 would apply.
- 24.3 Save as provided in Clause 21.1 above, no person, other than the Participant, shall be entitled to the benefit arising out of under this Scheme.
- 24.4 There is no buyback arrangement or commitment by the Company in respect of any Shares or Securities issued/ allotted under this Scheme.

25. Corporate Action

In the event of the Corporate Action such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring, the Company, in consultation with the Committee, subject to the provisions of the Scheme, the number of Options (vested as well as unvested) or the Exercise price in respect of the Options or both the number and the Exercise Price, may, but subject to the applicable rules and regulations, be determined to be such number and/or Exercise price as is appropriate in accordance with the SEBI Guidelines/ Applicable Laws.

In this regard, it is clarified that:

- i. the number and price of Options shall be adjusted in a manner such that total value to the Participant 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 Participant.

26. Method of valuation and Withholding Tax

- 26.1 The Company shall conform to the accounting policies specified in the SEBI ESOS regulations.

The Company recognizes compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

Company shall use "Fair value method" to value its option and to calculate employee compensation expense.

The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under the Scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined with reference to the fair value of the options granted excluding the impact of any service conditions. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. On exercise of vested Stock Options by the employees / directors, subject to the terms of the Scheme, the Board of Directors or its Committee will approve the issue and allotment of Equity Shares to the Employees / Directors.

- 26.2 The Company shall have the right to deduct from the employee's salary, any of the employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to credit shares until tax deduction obligations, if any, have been satisfied in respect of/by the Option Grantee.
- 26.3 The Tax implications on Employees' Stock Options pertaining to Income Tax and all other taxes as per the provisions of the Income Tax Act, 1961 and applicable laws would be borne and paid entirely by the Option Grantee. The Company shall recover any tax payable or paid of whatsoever nature, which may arise through the Grant, Vesting and/or Exercise of these Stock Options to the Option Grantee.

27. Dispute Settlement

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt to resolve such dispute through an amicable settlement.

28. Governing Law

- 28.1 This Scheme and all agreements hereunder shall be governed by and construed in accordance with the Applicable laws of India.
- 28.2 All amendments made from time to time to the SEBI ESOS Regulations, insofar as they apply to this Scheme, shall automatically form a part of this Scheme. The Committee is authorized to give effect to such amendments in the text of this Scheme
- 28.3 The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the Income Tax Guidelines or SEBI Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

29. Regulatory approvals

The implementation of the Scheme, the granting of any Option under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Participants of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Participants under this Scheme will, if requested by the Committee, provide such assurances and representations to the Company, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal requirements.

30. Modification of Scheme

The Committee may in accordance with SEBI Regulations.

- 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 Participants;
- b. Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participants separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participants; and,
- c. Alter the Exercise price, if the option becomes unattractive due to fall in market price of the share.

Provided that no variation, alteration, addition or amendment to the Scheme can be made if it is detrimental to the interest of the Participant/ Grantee.

31. Contract of employment

- 31.1 This Scheme shall not form part of any contract of employment between the Company and any Employee, and the rights and obligations of any Employee 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 it and this Scheme shall afford such an Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 31.2 This scheme is purely at the discretion of the Company's Management (represented by the Compensation Committee).

32. Severability

In the event any one or more of the provisions contained in this ESOS - II 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 ESOS - II, but ESOS - II shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOS - II shall be carried out as nearly as possible according to its original intent and terms.

33. Miscellaneous provisions

- 33.1 Save as provided in this scheme, the Participant shall have no rights as a Shareholder in respect of an option granted to him until the shares underlying such options are issued by the Company upon exercise of such options
- It is clarified that the Participant 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 issued to him/her upon exercise of the option.
- 33.2 All shares allotted on Exercise of Options will rank pari-passu with all other equity shares of the Company for the time being in issue.
- 33.3 This Scheme shall not confer on any person any legal or equitable rights against the Company or the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Committee.
- 33.4 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme.
- 33.5 A Grantee shall, before accepting a Grant, obtain all necessary consents, if any, that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this Scheme, the Shares due to be allotted and issued upon the Exercise of his Vested Options. By accepting a Grant and/ or submitting the Exercise form, the Participant thereof is deemed to have represented to the Company or the Committee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee.
- 33.6 By accepting a Grant, a Grantee expressly acknowledges that the grant of option does

not constitute guarantee any continuity of employment and the Company shall reserve the right to terminate the employment of Grantee with the Company in accordance with the terms of employment. Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.

- 33.7 The acceptance of the Grant is entirely voluntary and the Company or the Committee does not guarantee any return on Shares.
- 33.8 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

34. General Risk

Participation in this ESOS - II shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investment are that of the Participant alone.

35. Term of the Scheme

- 35.1 The Scheme shall continue in effect unless terminated by the Company.
- 35.2 Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Committee/ the Company.

36. Confidentiality

The Participant shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under any statutes or regulations applicable to such Participant.

37. No Discrimination

Nothing in this Plan may be deemed to be discriminating amongst the Employees or the Eligible Employees on the grounds of gender, age, nationality, race, ethnicity, language or otherwise. The Plan in terms of coverage of the Eligible Employees is in consonance with prevailing management practices and remuneration principles and is not discriminating against any section of Employees.
