

SAREGAMA INDIA LIMITED

EMPLOYEES STOCK OPTION SCHEME 2013

(Approved by the shareholders at the 76th Annual General Meeting scheduled to held on 31st August, 2023)

This Scheme has been formulated by the Nomination and Remuneration Committee ('previously known as the Compensation Committee') of the Board of Directors of Saregama India Limited ("**Company**") at its meeting held on 25th March 2013 and approved by the shareholders of the Company ("**Shareholders**") at the 66th Annual General Meeting of the Company held on 26th July 2013. Subsequently, at the 68th Annual General Meeting held on 31st July 2015 and 71st Annual General Meeting held on 27th July 2018, the Shareholders of the Company had approved further amendments to the Scheme pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the provisions contained in the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Scheme is further amended by the Shareholders at the 72nd Annual General Meeting of the Company held on July 19, 2019 to permit implementation of this scheme through an employee welfare trust, to empower the Nomination and Remuneration Committee to vary or alter the Vesting Date from Employee to Employee or any class thereof, as they may deem fit and certain other amendments.

The Scheme is further proposed to be amended by the Shareholders at the 76th Annual General Meeting of the Company held on 31st August, 2023, to update the provisions of the Scheme in line with the SBEB & SE Regulations.

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- 1.1 This Scheme may be called the 'Saregama Employees Stock Option Scheme – 2013', which for the sake of brevity is hereinafter referred to as the "**ESOS**" or "**Scheme**", and which expression shall include any alterations, amendments, or modifications to it, from time to time.
- 1.2 It applies only to permanent Employees (as defined hereunder) who are in such grades and levels as may be decided by the Nomination and Remuneration Committee and who qualify for issue of Options under this Scheme.
- 1.3 The Scheme shall come into force on 25th March 2013. The Scheme shall continue in effect unless terminated by the Board.

2. OBJECT

This Scheme is in pursuance of a resolution passed by the Board and the Shareholders at its General Meeting held on 25th March, 2013 and 26th July 2013 respectively and further amended from time to time, with the objects of granting of Options (defined

hereunder) convertible into Shares (defined hereunder) and to be allotted by the Company or transferred from the Trust on Exercise (defined hereunder) of such Options, at the discretion of the Nomination and Remuneration Committee, to the Employees,. This Scheme has been so designed as to:

- 2.1 create a destination company for high caliber talent.
- 2.2 create a line of sight for Employees with the overall organizational performance.
- 2.3 create a sense of ownership and participation amongst Employees.
- 2.4 motivate and create wealth for Employees through a reward mechanism linked to the company's performance.
- 2.5 provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.
- 2.6 achieve sustained growth of the Company and the creation of Shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

3. DEFINITIONS

- 3.1 In this Scheme, unless the context otherwise requires,
 - a) “**Act**” means the Companies Act, 2013, the Rules made thereunder and Schedules thereto, for the time being in force and as statutorily amended and modified from time to time.
 - b) “**Applicable Law**” means with reference to India, any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority, to the extent applicable to the Company and this Scheme, whether in effect as of the date of this Scheme or thereafter and in each case as amended. Accordingly, any action taken under the Scheme shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflict of laws' provisions under the Applicable Law.
 - c) “**Board**” means the Board of Directors of the Company.
 - d) “**Company**” means Saregama India Limited which expression shall unless be repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns.
 - e) “**Corporate Action**” means one of the following events:

- (i) rights / bonus issue;
 - (ii) reorganisation of the Shares;
 - (iii) restructuring of the Share capital of the Company;
 - (iv) Other reorganization of the Company in which the Shares are converted into or exchanged for: (a) a different class of securities of the Company, or (b) any securities of any other issuer, or (c) cash, or (d) other property;
 - (v) Sale, lease or exchange of all or substantially whole of the assets / undertaking of the Company to any other company or entity;
 - (vi) Bankruptcy proceedings against the Company;
 - (vii) Adoption by the Shareholders of a scheme of liquidation, dissolution or winding up;
 - (viii) Adoption by the Shareholders of a scheme of merger or demerger of the Company; and
 - (ix) Any other corporate action as designated by the Company.
- f) **“Director”** means a member of the Board of the Company.
- g) **“Eligible Employee”** means an Employee as selected by the Nomination and Remuneration Committee, for the purpose of Granting Options under this Scheme:
- h) **“Employee”** shall have the same meaning as under Regulation 2(i) of the SBEB & SE Regulations.
- i) **“Exercise”** is the act of submission of the Exercise Application being made by the Optionee to the Nomination and Renumeration Committee or to the Trust to have the Options vested in him issued as Shares or in any other manner, upon payment of the Exercise Price within the Exercise Period.
- j) **“Exercise Application”** means the application form as may be prescribed by the Nomination and Renumeration Committee, in which the Optionee has to apply to the Nomination and Renumeration Committee or to the Trust along with a cheque / demand draft or through any other modes of payment, in respect of the Exercise Price for Exercising Options Granted to him.
- k) **“Exercise Period”** means the time period after Vesting, provided in Clause 7.2 or as may be intimated by the Nomination and Renumeration Committee, from time to time, within which the Optionee can Exercise the Options held by him, but is subject to the provisions of Clause 7.1.7.

- l) **“Exercise Price”** means the price determined by the Nomination and Remuneration Committee from time to time at which the Optionee shall be authorized to Exercise their Options.
- m) **“Grant”** means the process whereby the Board / Nomination and Remuneration Committee passes a resolution granting a specified number of Options to the Eligible Employees, under the Scheme. **“Granted”** and **“Granting”** shall be construed accordingly.
- n) **“Grant Date”** means the date as specified in the Letter of Grant by the Nomination and Remuneration Committee on which a Grant is made to an Eligible Employee under the Scheme.
- o) **“Holding Company”** in reference to the Company, shall have the same meaning ascribed to it in the Companies Act, 2013.
- p) **“Letter of Grant”** means the letter issued by the Company intimating the Employee of the Options Granted to him and the terms and conditions to be fulfilled for acquiring a specified number of Shares at the Exercise Price.
- q) **“Nomination and Remuneration Committee”** means a Committee of Directors of the Company as constituted by the Board and entrusted with the authority to formulate, implement and administer the Scheme, as required under Section 178 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- r) **“Nominee”** means: (A) an individual appointed by the Optionee by submitting a letter in the form specified by the Nomination and Remuneration Committee in this regard, which may be revoked or changed any time but before the Exercise of Options; (B) if no such nomination has been made in accordance with (A) herein or if the individual nomination is not in existence, then Nominee shall mean the (a) spouse, or (b) children of the Optionee or if the Optionee is unmarried at the time of death or Permanent Disability, then the following persons in priority: (a) parents; (b) siblings or next of kin;
- s) **“Option”** means the right granted to an Employee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price.
- t) **“Optionee”** means the Eligible Employee who has been Granted Options and has been issued a Letter of Grant and agrees to abide by the terms and conditions of the Scheme and Letter of Grant.
- u) **“Permanent Disability”** means, with respect to a person, a physical or mental impairment of sufficient severity that, in the opinion of the Nomination and Remuneration Committee, the person is unable to continue performing the duties the person performed before such impairment.

- v) **“Resignation”** means the cessation of employment on the own volition of an Employee prior to his date of Retirement / Superannuation.
- w) **“Retirement”** means the cessation of employment of the Employee on reaching the age of retirement / superannuation as specified in the letter of appointment and/or the policies of the Company or such other period as may be agreed to by the employer and shall include voluntary retirement prior to the date of retirement / superannuation with the consent of the employer.
- x) **“SEBI”** means the Securities and Exchange Board of India.
- y) **“SBEB & SE Regulations”** means the SEBI (Share Base Employee Benefits and Sweat Equity) Regulations 2021 and shall include any statutory amendments and modifications thereto.
- z) **“Share”** means the equity Shares of the Company having nominal face value of Rs.10/- each.
- aa) **“Subsidiary Company”** in reference to the Company, shall have the same meaning ascribed to it in the Act.
- bb) **“Superannuation”** shall have the same meaning as Retirement.
- cc) **“Termination”** means the cessation of employment prior to the date of Retirement / Superannuation of an Employee at the instance of the employer.
- dd) **“Trust”** shall mean an employee welfare trust(s) created and established under the Indian Trusts Act, 1882 by the Board for holding the Shares for the benefit of the Optionee in accordance with the terms and conditions of this Scheme and the deed of trust.
- ee) **“Trustees”** means the trustees of the Trust for the time being and persons nominated/ appointed as such from time to time by the Board and to perform such actions and deeds as stipulated in the deed under which the Trust has been settled.
- ff) **“Unvested Option”** means an Option in respect of which the relevant Vesting conditions have not been satisfied and as such, the Optionee has not become eligible to Exercise the Option.
- gg) **“Vesting”** means the process of fulfilment of the criteria and conditions enumerated in the Scheme and/or Letter of Grant, including the Vesting Period, by an Optionee in order to be eligible to Exercise his Options.
- hh) **“Vesting Date”** in relation to an Option, means the date on which the Option has Vested.
- ii) **“Vesting Period”** means the period, from the Grant Date till the Vesting Date.

jj) **“Vested Option”** means an Option in respect of which the relevant Vesting conditions have been satisfied and the Optionee has become eligible to Exercise the Option.

3.2 All other expressions unless defined herein shall have the same meaning as have been assigned to them under Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Act, SBEB & SE Regulations or any statutory modification or re-enactment thereof, as the case may be.

3.3 Any dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to or in connection with the Scheme shall be referred to the Nomination and Remuneration Committee and shall be determined by the Nomination and Remuneration Committee and any such determination / decision / interpretation by the Nomination and Remuneration Committee shall be final and binding on all persons affected thereby.

4. SCOPE AND ELIGIBILITY; OPTIONS/SHARES SUBJECT TO THE PLAN

4.1 The Scheme shall apply to the Eligible Employees as selected by the Nomination and Remuneration Committee in its sole and absolute discretion.

4.2 The number of Options which shall be Granted under this Scheme, shall not exceed 5% of the issued and subscribed Share Capital of the Company (**“Pool”**) as on 31st August 2023.

4.3 The Scheme shall be implemented through either issue of Shares by the Company directly or acquisition of Shares through the Trust and administered by the Nomination and Remuneration Committee in accordance with Applicable Law, including the provisions of the Act and SBEB & SE Regulations. The issuance of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall have the discretion to decide the number of Shares (subject to the threshold under the Pool), if any, to be issued through primary issuance and the number of Shares, if any, to be acquired through secondary acquisition through the Trust, for the purposes of this Scheme.

4.4 The Trust shall hold the Shares in accordance with the terms and conditions of this Scheme. The Trust shall acquire Shares by way of secondary market acquisition in one or more tranches and shall utilize such Shares for the purpose of transferring them to the Optionee upon Exercise of the Options under the Scheme (in the manner specified by the Nomination and Remuneration Committee and the deed of Trust). The Trustees will act as custodians of the matters and issues relating to and arising out of finances and Shares available with the Trust.

4.5 The Nomination and Remuneration Committee shall determine the Grant in its absolute discretion, taking into consideration such factors but not limited to

Eligible Employee's performance appraisal, seniority, period of service, role of the Eligible Employee, the present and potential contribution to the growth of the Company. Thereafter, from time to time, the Nomination and Remuneration Committee may Grant Options to one or more Eligible Employee(s).

- 4.6 If the Options expires or becomes not exercisable without having been Exercised in full, the Shares which were subject to such Options, shall return to the Pool and become available for future Grant under the Scheme unless the Scheme stands terminated.
- 4.7 Where the Shares are allotted to an Optionee upon Exercise under the Scheme, the Pool will stand reduced to the extent of such Shares.

5. ADMINISTRATION OF THE SCHEME

- 5.1 The Scheme shall be administered by the Nomination and Remuneration Committee, including relating to the secondary acquisition by the Trust and related administrative matters (which shall also include delegation of administration to the Trust). All questions of interpretation of the Scheme or any Option shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or such Option(s).
- 5.2 The Nomination and Remuneration Committee shall in accordance with this Scheme and Applicable Law determine all following:
 - 5.2.1. the mode and manner of acquiring Shares for implementation of this Scheme, whether through primary issuance or secondary acquisition through the Trust or both, as may be required from time to time;
 - 5.2.2. assess the performance of an Eligible Employee for Granting of the Options;
 - 5.2.3. determining the time for Grant to and manner to identify Eligible Employees amongst the categories of Employees to become an Optionee;
 - 5.2.4. the number of Options to be Granted and the number of tranches in which the Options are to be Granted and the number of Options to be Granted in each such tranche;
 - 5.2.5. determine the performance parameters and Vesting conditions for Grant and/or Vesting of Options to an Eligible Employee;
 - 5.2.6. determine the Vesting Period and/or lock-in-period of the Grant made to any Optionee and/or any conditions subject to which such Vesting may take place;
 - 5.2.7. deciding the treatment of Unvested Options upon Termination or upon

- a Director ceasing to hold office;
 - 5.2.8. determination of Exercise Price;
 - 5.2.9. specify the method which the Company shall use to value its Options;
 - 5.2.10. framing appropriate procedures for Granting, Vesting and Exercising of Options;
 - 5.2.11. provide for the right of an Optionee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
 - 5.2.12. lay down the procedure for cashless Exercise of Options, if any;
 - 5.2.13. lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Action in accordance SBEB & SE Regulations;
 - 5.2.14. provide for the Grant, Vesting and Exercise of Options in case of Optionees who have been seconded to any other company by the Company;
 - 5.2.15. the number of Options reserved, if any, for Granting to new Employees who would join the services of the Company;
 - 5.2.16. obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the Scheme;
 - 5.2.17. framing suitable policies and systems to ensure that there is no violation by any participant of any Applicable Law, including but not limited to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and any modifications thereto; and
 - 5.2.18. such other matters in respect of which the Nomination and Remuneration Committee is required to formulate terms and conditions under Applicable Law.
- 5.3 The terms and conditions in respect of Grant, Vesting and Exercise of options by the employees may be different for different classes of employees falling in the same tranche of Grant of options issued under the scheme.
- 5.4 With regard to the matters specifically not provided for in this Scheme or any other documents that may be issued in connection with the Options, the Nomination and Remuneration Committee shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the

Employees and the Company as may be permissible under the Applicable Law, rules and regulations for the time being in force. The decision of the Nomination and Remuneration Committee shall be final and binding on the Employees and the Optionee.

6. GENERAL RISKS

Participation in this Scheme 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 investments is that of the Employee alone.

7. OPTIONS

7.1 Grant of Options

7.1.1 The Nomination and Remuneration Committee may make Grants to one or more Eligible Employee(s), which shall include recurring Grants to the same Eligible Employee in accordance with the terms and conditions of the Scheme.

7.1.2 The Nomination and Remuneration Committee can make a Grant of Options to any identified Eligible Employee(s) in any one financial year, which is equal to or exceeding 1% (one percent) of the issued capital of the Company (excluding outstanding warrants and conversions) of the Company, at the time of making such Grant of Option, **provided that** the Shareholders have approved Grant of Options exceeding 1% (one percent) of the issued capital of the Company by way of a separate special resolution.

7.1.3 Options Granted to an Eligible Employee shall be evidenced by a Letter of Grant which shall contain such details and terms and conditions as may be required by the Nomination and Remuneration Committee including but not limited to the number of Options Granted, the Vesting criteria and conditions and Exercise Period.

7.1.4 In case the provisions of Applicable Law restrict / prohibit the issue of Shares at a discount to their par value, the Exercise Price shall not be less than the amount as prescribed under such Applicable Law.

7.1.5 The Nomination and Remuneration Committee shall make necessary disclosures as per Regulation 16(2) of the SBEB & SE Regulations to the Eligible Employees to whom Grant is being made.

7.1.6 In the event, an Eligible Employee is a nominee of an institution nominated by such institution as its representative on the Board, then such Eligible Employee shall comply with the disclosure requirement as provided under the Explanation to Regulation 4 of SBEB & SE Regulation.

7.1.7 Specified Events

- (a) In the event of an Optionee ceasing to be an Employee of the Company by reason of Resignation or Termination of employment due to reasons of non-performance or otherwise, the Unvested Options held by the Optionee shall forthwith lapse. In case of Options Vested but not Exercised, the Optionee shall have to compulsorily Exercise all the Vested Options to the extent exercisable within a period of 3 months from the date of Resignation / Termination due to reasons of non-performance or otherwise, as the case may be. In the event the Options are not Exercised within the timeframe provided hereinabove, all the Options shall lapse forthwith and revert to the Plan pool and the Company / Nomination and Remuneration Committee shall not have any obligation towards such lapsed / cancelled Options.
- (b) In the event that an Optionee has disassociated from the Company and in the opinion of the Nomination and Remuneration Committee and/or Company is engaged in activities which are materially detrimental to the business or interests of the Company or its Employees, all the Vested and Unvested Options held by the Optionee shall be cancelled partly or in full as a disciplinary measure at the sole and absolute discretion of the Nomination and Remuneration Committee. The Company / Nomination and Remuneration Committee shall not have any obligation towards such lapsed / cancelled Options.
- (c) In the event of long term leave of any Employee the Vested and Unvested Options held by the Optionee shall be treated as follows: (i) in case of leave up to a period of three months, the Options will continue to vest as well as exercisable by the Employee, or (ii) in case of leave for a period exceeding three months, the time period for Vesting / Exercising of Options by the Employees will be decided at the sole and absolute discretion of the Nomination and Remuneration Committee.
- (d) In the event of death of an Optionee while in employment, all the Options Granted to him as on the date of his death, shall Vest in his Nominees on that day. The Vested Options will be exercisable by the Nominee for a period of 3 months from the date of termination of employment as such. In the event the Options are not Exercised within the timeframe provided hereinabove, all the Options shall lapse forthwith and revert to the Plan pool and the Company / Nomination and Remuneration Committee shall not have any obligation towards such lapsed / cancelled Options..
- (e) In case the Employee suffers a Permanent Disability while in employment, all the Options Granted to him as on the date of Permanent Disability, shall Vest in him on that day. The Vested Options will be exercisable by the Optionee for a period of 3 months from the date of termination of employment as such. In the event the

Options are not Exercised within the timeframe provided hereinabove, all the Options shall lapse forthwith and revert to the Plan pool and the Company / Nomination and Remuneration Committee shall not have any obligation towards such lapsed / cancelled Options.

- (f) In the event of severance of employment of an Optionee as a part of reconstitution / amalgamation / sell-off or event as may be determined by the Nomination and Remuneration Committee in its sole and absolute discretion, the Unvested Options held by the Optionee shall forthwith lapse. In case of Vested Options which have not been Exercised, the Optionee shall have to compulsorily Exercise all the Vested Options to the extent exercisable within a period of 3 months from the date of severance of employment. In the event that the Options are not Exercised within this period, the Options would lapse.
- (g) In the event of an Optionee being transferred to a Subsidiary Company at instance of or with the consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting Period as provided under the Scheme and/or the Letter of Grant or as may be prescribed by the Nomination and Remuneration Committee. The Options can be Exercised at any time within the Exercise Period.
- (h) In the event of Retirement / Superannuation of an Optionee at the instance of or with consent of the Company, all the Vested Options can be Exercised within the Exercise Period applicable to the Optionee provided that the Optionee does not enter into competition / is employed by a competitor (during the Exercise Period) in which case all the Vested Options shall lapse and be cancelled forthwith. In case of Unvested Options, the Unvested Options shall Vest in the manner as provided for in the Scheme and / or Letter of Grant and can be Exercised as applicable to the Optionee provided the Optionee does not enter into competition / is employed by a competitor (during the Vesting Period and / or Exercise Period) in which case all the Options shall lapse and be cancelled forthwith..
- (i) In the event of Termination of the employment of an Optionee for misconduct, including abandonment of employment without the Company's consent, breach of policies of the Company or the terms of employment, all Options Granted to such Optionee, including the Vested Options which were not Exercised at the time of such misconduct shall stand terminated with effect from such date as shall be determined by the Nomination and Remuneration Committee. The decision of the Nomination and Remuneration Committee on this issue shall be final and binding.

7.2 Exercise of Option:

- 7.2.1 Each Option entitles the Optionee to apply for and be allotted one Share of nominal value of Rs.10/- each by the Trust or by primary issuance by the Company, on the payment of the Exercise Price during the Exercise Period.
- 7.2.2 The Exercise Period shall commence from the Vesting Date and will expire not earlier than 10 years from the Vesting Date of those Options.
- 7.2.3 In the event of Exercise of Options resulting in fractional Shares, the Nomination and Remuneration Committee shall round off the number of Shares to be issued to the nearest whole number, and the Exercise Price shall be correspondingly adjusted. The Optionee shall give prior notice to the Nomination and Remuneration Committee of 7 days or more before issuing the Exercise Application.

7.3 Vesting Period:

- 7.3.1 The Vesting conditions and criteria and Vesting Period of the Options Granted to Optionees shall be determined by the Nomination and Remuneration Committee and shall be detailed in the respective Letter of Grant. It is hereby clarified that the Vesting Period will be a minimum of one year or such time period as may be prescribed under Applicable Law including but not limited to the SBEB & SE Regulations.

Provided that the Nomination and Remuneration Committee may at its discretion accelerate the Vesting Period or relax the Vesting criteria applicable to the Grant having regard to the circumstances under which the Grant was made and the evolution of such circumstances through the Vesting Period.

- 7.3.2 The Grant and the Vesting and Exercise thereafter shall be subject to

- (a) continued satisfactory performance of the Employee as determined by the Company in the annual appraisal and communicated to him;
- (b) no solicitation of Employees for two years after separation from the Company; and
- (c) no solicitation of work from the clients of the Company for a period of two years after separation from the Company.

- 7.3.3 The Company shall be entitled to seek remedy in the event of breach of any of the above conditions even after Exercise of the Options. Any waiver of the above conditions shall be at the sole discretion of the Nomination and Remuneration Committee.

- 7.3.4 The Optionee may Exercise the Vested Options within the Exercise Period.

In the event the Optionee fails to Exercise his Vested Options within the Exercise Period, then such Vested Options shall lapse and revert to the Pool. The Company and/or the Nomination and Remuneration Committee will not have any obligation towards such Optionee with respect to such lapsed Options. No further communication shall be made to the Optionee in this regard.

7.3.5 To Exercise the Options, the Optionee must submit an Exercise Application to the Nomination and Remuneration Committee accompanied by the Exercise Price which shall be paid either by or through, as the case may be:

- (a) cheque drawn on the Company;
- (b) online to the Company's bank account as may be intimated from time to time;
- (c) the Optionee's authority to the Company to deduct such amount from his salary due and payable;
- (d) through a cashless Exercise procedure pursuant to which the Optionee shall authorize the sale of Shares through the Trust in the manner prescribed by the Nomination and Remuneration Committee;
- (e) such other mode as may be approved by the Nomination and Remuneration Committee from time to time to the extent permitted by Applicable Law; or
- (f) a combination of any of the abovementioned methods.

7.3.6 Upon Exercise of Options, the Nomination and Remuneration Committee shall cause, within a reasonable period of time, to allot or transfer from the Trust, as the case may be, such number of Shares underlying the Vested Options as are Exercised, to the Optionee, Nominee or former Employee, as the case may be.

7.4 **Bonus Issue:**

In the event of a bonus issue of securities being made by the Company during the Vesting Period, adjustment, if any, to the Exercise Price and number of Options of the said holder would be decided by the Nomination and Remuneration Committee at its absolute discretion.

7.5 **Rights Issue:**

In the event of a rights issue of securities being made by the Company during the Vesting Period, adjustment, if any, to the Exercise Price and number of Options of the said Optionee would be decided by the Nomination and Remuneration Committee at its absolute discretion.

7.6 Option for Conversion:

The Optionee may Exercise the Option in part or in whole and the Exercise of Options shall entail transfer of Shares to the Optionee from the Trust or issuance of Shares by the Company.

7.7 Transfer of Options:

The Options held by the Employee are not transferable except in the event of death of the Optionee as specified in Clause 7.1.7(e). The said Options cannot be pledged / hypothecated / mortgaged or otherwise alienated in any other manner. Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

7.8 Restrictions on Rights of Optionees:

The Optionees prior to conversion of Options into Shares are not entitled to any rights which the Shareholders enjoy including voting rights and rights in the Company as to dividend.

8. SHARES (IN CASE OF PRIMARY ISSUANCE BY THE COMPANY)

After the Options are Exercised, the Shares so issued shall be subject to the terms and conditions as mentioned below:

8.1 Ranking of Shares

8.1.1 The equity Shares arising on the Exercise of Options shall rank *pari passu* with all the existing Shares.

8.1.2 Any right attached to such Shares shall be with reference to a date subsequent to the date of allotment of the Shares, and the Employee shall receive dividend on pro rata basis from the date of allotment of the Shares in the relevant financial year and the amounts paid up thereon.

8.2 Listing of Shares

The Shares issued on Exercise of the Options shall be listed on all the stock exchanges where the Shares are listed and will be subject to terms and conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listing agreements with the stock exchanges and the terms and conditions of the Scheme.

8.3 Government Regulations

The Scheme shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of Shares under the

Scheme shall also be subject to the Company requiring the Eligible Employees and/or Optionees to comply with all Applicable Laws and to the approval of the Company's legal counsel.

8.4 Inability to obtain authority

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

9. TAX LIABILITY

In the event of any tax liability, including any tax liability due to change in the tax laws relating to Scheme, arising on account of the issue of the Options / conversion into Shares / sale of Shares or any other event, to the Employee the liability shall be that of the Employee alone and the Company on the advice of the Nomination and Remuneration Committee shall have the right to collect the same from the Optionees.

10. CHANGES IN THE TERMS AND CONDITIONS OF THE SCHEME

The Nomination and Remuneration Committee, subject to the Applicable Laws including the provisions of SBEB & SE Regulations, may at any time at its discretion change the terms and conditions of the Scheme or terminate the same. This change, however, shall not be to the detriment of the Optionee or the Employee allotted / transferred Shares under the Scheme.

11. CONFIDENTIALITY

11.1 The Employee who holds any Options under the Scheme shall not divulge the details of the Scheme and the Options Granted to and/or Shares vested in him to any person except with the prior permission of the Company and/or Nomination and Remuneration Committee obtained in writing.

11.2 The Employee shall enter into such agreement, as the Company and/or the Nomination and Remuneration Committee may desire from time to time to more fully and effectively implement this Scheme.

12. CONTRACT OF EMPLOYMENT

12.1 This Scheme shall not form part of any contract of employment between the Company and the Employee, Eligible Employee or Optionee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Scheme.

12.2 Nothing in this Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.

12.3 This Scheme shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.

12.4 This Scheme is purely at the discretion of the Company.

13. GOVERNING LAW AND JURISDICTION

13.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India.

13.2 The High Court of Kolkata, India shall have exclusive jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of the Scheme.

13.3 Nothing in this clause shall limit the right of the Company to bring proceedings against any Employee in connection with the Scheme: (i) in any other court of competent jurisdiction; or (ii) concurrently in more than one jurisdiction.

13.4 Arbitration

All disputes arising out of or in connection with the Scheme shall be decided by binding arbitration by a sole arbitrator to be jointly appointed by the Optionee and the Company in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (as amended from time to time). The place of Arbitration shall be Kolkata, India.

14. NO EMPLOYMENT RIGHTS CONFERRED

Nothing contained herein or in any Option Granted to the Employee shall give or confer upon such Employee any right for continuation of any employment with the Company or prohibit the Company from terminating the employment of such Employee at any time and for any reason whatsoever.

15. NO RESTRICTION OF CORPORATE ACTION

The existence of the Scheme and the Grants made hereunder shall not in any way prohibit the Board, Shareholders, or the Company from undertaking a change of control of the Company or a Corporate Action, provided that the provisions of the Scheme are complied with. Subject to Applicable Law, in the event of change in control of the Company or Corporate Action, a Grant made under the Scheme shall be subject to adjustment by the Nomination and Remuneration Committee at its discretion, including but not limited to the number of Options, Vesting criteria, Exercise Price, cancellation of Options (whether Vested or Unvested) in lieu of such consideration as may be determined by the Nomination and Remuneration Committee in its sole discretion. The decision of the Nomination and Remuneration Committee, in this regard, shall be final and binding.

16. INSIDER TRADING

16.1 The Optionee shall ensure that there is no violation of Applicable Law relating to the prevention of “insider trading” in shares and securities and prevention of fraudulent and/or unfair trade practices relating to the securities market.

16.2 The Nomination and Remuneration Committee shall be entitled to frame such rules and regulations as may be necessary to ensure that there is no violation of Applicable Law.

17. NEW SCHEME

Nothing contained in the Scheme shall be construed to prevent the Company directly or indirectly by the Company, from implementing any other new plan for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, provided that such new plan shall not adversely impact the Optionee or prejudice the rights of the Optionee in relation to a Grant already made under this Scheme. No Optionee or other Person shall have any claim against the Company and/or Trust as a result of such action.

18. PLAN SEVERABLE

18.1 This Scheme and the Letters of Grant issued from time to time, constitutes the entire agreement between the Company and the Employee in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

18.2 In the event that any term, condition or provision of this Scheme is held to be in violation of any applicable law, statute or regulation the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provisions had not originally been contained in this Scheme.

19. MISCELLANEOUS

19.1 No right to a Grant

Neither the adoption of the Scheme nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee or Eligible Employee any right to be Granted any Options to acquire Shares or to any other rights hereunder except as may be evidenced by Letter of Grant signed and counter signed by the Nomination and Remuneration Committee and/or Company and the Eligible Employee, respectively.

19.2 Dissolution or liquidation

In the event of a dissolution or liquidation, the Nomination and Remuneration Committee shall inform each Optionee, as soon as practicable/ permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Optionee.

19.3 Surrender of Option

An Optionee by way of written request tender all or any of its Options for surrender. The Nomination and Remuneration Committee on receipt of such request, shall consider it and cancel such surrendered Options vis-à-vis the Optionee. The Company and the Nomination and Remuneration Committee shall have no obligation towards such surrendered and cancelled Options.

19.4 Notice and correspondence

Any notice required to be given by, or any correspondence from, an Optionee or the Nominee or the former Employee to the Company may be given at the following address:

Attention: The Chairman, Nomination and Remuneration Committee

Address: RPSG House, 2/4, Judges Court Rd, Alipore, Kolkata, West Bengal 700027

Any notice required to be given to the Optionee or the Nominee or the former Employee as the case may be, by the Company may be given at the address of the Optionee / Nominee / former Employee, as maintained by the Company in its records. If there is any change of address for service, it shall be the sole responsibility of the addressee (Company or the Optionee or the Nominee or the former Employee, as the case may be) to update the other party (Company or the Optionee or the Nominee or the former Employee, as the case may be) about the change in address for service. However, if there is no change or update of address, service on either address shall remain effective and it shall be sufficient discharge of obligation of service, intimation, notice or correspondence.

19.5 No Discrimination

Nothing in this Scheme 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 Scheme 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.

19.6 Accounting and Disclosure Policies

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

This Scheme will operate inter-alia, under the Act and SBEB & SE Regulations, provisions

not specifically provided herein but set out in in such aforesaid laws.