

KELLTON TECH SOLUTIONS LIMITED EMPLOYEES STOCK OPTION SCHEME, 2013

1. NAME OF THE SCHEME

This Scheme shall be termed the **KELLTON TECH SOLUTIONS LIMITED EMPLOYEES STOCK OPTION SCHEME, 2013** (as amended at the 19th Annual General Meeting (“AGM”) of the Company held on December 27, 2013, at the 22nd Annual General Meeting held on September 26, 2016 and at the 23rd Annual General Meeting held on September 27, 2017) (“Scheme” / “ESOP” / “ESOP 2013”). The ESOP 2013 shall be effective from December 27, 2013 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. The Board / Remuneration cum Compensation Committee / shareholders may, subject to compliance with Applicable Laws, at any time alter, amend, or suspend.

2. PURPOSE OF THE SCHEME

Kellton Tech Solutions Limited (hereinafter referred to as “the Company”), a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad — 500033, Telangana has structured this Scheme for its employees. The purpose of this Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance and for unusual efforts to improve the financial performance of the Company, which will ultimately contribute to the success of the Company. This purpose is sought to be achieved through the grant of Options to the Employees to subscribe for Shares of the Company.

3. DEFINITION AND INTERPRETATION

DEFINITION

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

- a) **“Applicable Laws”** 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.
- b) **“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.
- c) **“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.
- d) **“Board”** means the Board of Directors of the Company.

- e) **“Company”** means Kellton Tech Solutions Limited, a Company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office situated at, Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad — 500033, Telangana.
- f) **“Committee”** means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the Plan and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI SBEB & SE Regulations read with powers specified in this Plan.
- 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) **“Corporate Action”** shall have meaning as understood under the SEBI Act / Regulations/ Guidelines.
- ha) **“Death”** for the purpose of this ESOP 2021 shall mean death of an Employee during the continuance of employment or service, which shall not include death due to suicide and any other reason(s) specified, if any, under the human resource policy of the Company.
- hb) **“Director”** means a member of the Board of the Company.
- hc) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- i) **“Eligible Employee”** means an Employee of the Company and its Subsidiaries who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal process by the Remuneration cum Compensation Committee and who is otherwise nominated by the Remuneration cum Compensation Committee as being eligible for issue of Options.

However, the following persons shall not be eligible to participate in the Scheme:

- (i) a Promoter or any persons belonging to the Promoter group of the Company;
 - (ii) a Director, who either by himself or through his Relative(s) or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.
- j) **“Employee”** means
 - (i) permanent employee who is on the payroll of the Company or its Subsidiaries, whether located in or outside India.
 - (ii) a director of the Company or its Subsidiaries, whether a whole time director or not, but excluding an independent director.
 - k) **“Exercise”** means making of an application by the employee to the Company for issue of shares against option vested in him in pursuance of the ESOP.
 - l) **“Exercise date”** means the date on which the Participant exercises his Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Options.

- m) **“Exercise period”** means the time period after vesting within which the employee should exercise his right to apply for shares against the option vested in him in pursuance of the ESOP.
- n) **“Exercise price”** means the price payable by the employee for exercising the option granted to him in pursuance of ESOP.
- o) **“General meeting”** means an Annual General Meeting (including Extra ordinary general meeting) of the shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws.
- p) **“Grant”** means issue of option to employees under ESOP.
- q) **“Grant date”** means the date on which the Committee approve the grant under the Scheme.
- r) **“Grant letter”** means the letter by which grant of an Option is communicated to the Grantee.
- s) **“Grantee”** shall mean an Employee at the time of grant of the Option and who in the opinion of the Committee is declared to be eligible to participate under the Scheme.
- t) **“Independent director”** shall have the same meaning as assigned to it in Section 2(47) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- u) **“Intrinsic value”** means the excess of the market price of the share under ESOP over the exercise price of the option (including up-front payment, if any).
- v) **“Market price”** means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted /shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered and as amended by SEBI from time to time, price as defined as market price by SEBI from time to time.
- va) **“Misconduct”** means disregard of the Company’s bye-law, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrongdoing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.
- vb) **“Notice Period”** the amount of time an employee must provide their employer before resigning from the job.
- w) **“Option”** means a right, but not an obligation to acquire and be allotted a Share of the Company at the Exercise price.
- x) **“Option grantee”** means an employee having right but not an obligation to exercise in pursuance of the ESOP.
- y) **“Participant”** means a Grantee who accepts an offer from the Company to participate in the Scheme pursuant to Clause 9 below.
- z) **“Promoter”** means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- aa) **“Promoter group”** means the person(s) as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

Explanation: where the promoter or promoter group of the Company is a body corporate, the

promoters of that body corporate shall also be deemed to be promoters of such company;

- ab) **“Relevant Date”** means any of the following dates as the context requires:
- 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 by the Option Grantee.
- ac) **“Retirement”** means retirement or superannuation as per the rules of the Company.
- bb) **“Scheme”** shall mean the Kellton Tech Solutions Limited Employees Stock Option Scheme, 2013 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- cc) **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and shall include any amendments, additions, deletions, modifications or variations thereof from time to time.
- ca) **“Secretarial Auditor”** means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- dd) **“Share”** means equity shares and securities convertible into equity shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- ee) **“Shareholder”** means the registered holder of any share in the share capital of the Company.
- ea) **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India on which the Company's Shares are listed or to be listed.
- eb) **“Subsidiary Company”** means any present or future subsidiary company of the Company determined as per provisions of the Companies Act.
- ff) **“Termination date”** means the date of termination of employment of the Participant with the Company.
- gg) **“Unvested Option”** means an Option, which is not a Vested Option.
- hh) **“Vesting”** means the process by which the Participant is given the right to apply for Shares of the Company against the Option granted to him in pursuance of the Scheme.
- ii) **“Vesting period”** means the period during which the vesting of the Option granted to the Participant in pursuance of the Scheme takes place.
- jj) **“Vested Option”** means an Option, which has vested with the Participant and has thereby become exercisable. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or Guidelines or Regulations issued thereunder including specifically the SEBI (ICDR) Regulations or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 or any statutory modification or re-enactment thereof, as the case may be.

- kk) “Long Leave” means Leave granted to any eligible employee, which he/she is entitled as per the policy. The duration of such leave will be as decided by the Remuneration cum Compensation Committee.

INTERPRETATION

In this Plan, unless the contrary intention appears:

- I. The clause headings are for ease of reference only and shall not be relevant to interpretation;
- II. a reference to a clause number is a reference to its sub-clauses;
- III. Words in singular numbers include the plural and vice versa;
- IV. words importing a gender include any other gender; and e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- V. For any calculation under this Plan any fraction will be rounded up or down to the nearest integer;
- VI. In the context of an Employee of a Subsidiary Company, any reference to Company policies, or terms of employment shall refer to such Subsidiary Company, as the case may be; and

The terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws including SEBI SBEB & SE Regulations, as the context requires.

Words and expressions used and not defined here but defined in the SEBI SBEB & SE Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in that legislation, as the context requires.

4. CONSTRUCTION

- a) 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.
- b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- c) Any reference to ‘writing’ includes printing, typing, lithography and other means of reproducing words in visible form.
- d) The term ‘including’ shall mean ‘including without limitation’, unless otherwise specified.

5. ELIGIBILITY

- 5.1. No employee shall be eligible for Grant of Options before his or her confirmation into the company. However, upon confirmation, his or her tenure of service, for the purpose of determining the quantum of options, shall be considered retrospectively from the date of joining. Besides satisfying the prima-facie condition mentioned above, only Employees as defined herein are eligible under this Scheme. Subject to this, the 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.

- 5.2. If employee is a director nominated by an institution as its representative on the Board of Directors—
- I. The contract/ 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 options granted by the company under its ESOP can be accepted by the said employee in his capacity as director of the Company;
 - (b) That options, if granted to the director, shall not be renounced in favour of the nominating institution; and
 - (c) The conditions subject to which fees, commissions, ESOPs, other incentives, etc. can be accepted by the director from the Company.
 - II. The institution nominating its employee as a director of a company shall file a copy of the contract/ agreement with the said company, which shall, in turn, file the copy with all the stock exchanges on which its shares are listed.
 - III. The director so appointed shall furnish a copy of the contract/ agreement at the first Board meeting of the Company attended by him after his nomination.
- 5.3. The Plan shall apply to the Company and its Subsidiary Company and any successor company thereof and Options may be granted to the Employees of the Company, as determined by the Committee at its sole discretion.

Provided further that in case of Grant of Options to Employees of any Group Company including that of the Subsidiary Company or Associate Company or Holding Company, the Company shall obtain prior approval of the shareholders of the Company by way of a special resolution and this Plan shall be applicable to such companies.

6. ADMINISTRATION OF THE SCHEME

- 6.1. The Scheme shall be administered by the Committee, which may delegate its duties and powers in whole or in part as it determines to one or more officers of the Company and/ or to any one or more sub-committees. 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.
 - d) The quantum of option to be granted under an ESOP per employee and in aggregate.

- e) The conditions under which option may vest in employees and may lapse in case of termination of employment for misconduct.
 - f) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
 - g) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
 - h) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
 - i) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - i. The number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action.
 - ii. For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
 - iii. The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
 - j) The grant, vest and exercise of option in case of employees who are on long leave.
 - k) The procedure for funding the exercise of options.
 - l) Approve forms or agreements for use under the Scheme.
 - m) Decide all other matters that must be determined in connection with an Option under the Scheme.
 - n) Construe and interpret the terms of the Scheme, and the Options granted pursuant to the Scheme.
 - o) 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, as may be amended from time to time to be followed by the Participants.
 - p) 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.
 - q) Constitute one or more ESOP selection committee to enable it to identify the eligible employees to participate in this ESOP and to help in quantifying the options to be granted to the eligible employees.
- 6.2. 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) and it shall not be disputed. 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.

- 6.3. The Committee shall frame suitable policies and systems to ensure that there is no violation of:
- i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - ii. SEBI SBEB Regulations; and
 - iii. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trading Practice relating to the Securities Market) Regulations, 2003

The Guidelines issued under the Income-Tax Act, 1961, for Grant of ESOPs so as to be eligible for exemption there under.

7. SHARE LIMIT

- 7.1. The maximum number of Shares that may be issued pursuant to exercise of Options granted to the Participants under this Scheme shall be 10% of the Paid up Equity Share Capital of the Company, as on the date of grant of option(s). Out of the said total 10%, 6% is reserved for the employees of the Company and remaining 4% is reserved for the employees of its subsidiary companies.
- 7.2. The Company reserves the right to increase or reduce such number of Shares as it deems fit.
- 7.3. Provided that all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted.

8. GRANT OPTIONS

- 8.1. 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.
- 8.2. The Committee shall follow all or any of the following broad guidelines in selection of the eligible employees and the quantum of option to be granted to them:
- a) performance of the employee
 - b) length of service of the employee
 - c) present grade and compensation structure 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
- 8.3. Each Option will entitle the Participant to one fully paid-up share of the Company.
- 8.4. The maximum number of options granted to any one employee in a year will not equal to or exceed 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of granting of an option, unless approval of shareholders by way of separate resolution in the general meeting has been obtained.
- 8.5. The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee. Such a Grant Letter shall state the number of Options offered, the Exercise price and the Closing date of accepting the offer and will be accompanied by a Disclosure Statement containing inter-alia, statement of risks, information about the Company and salient features of the Scheme.

- 8.6. An offer made under clause 8.1 above is personal to the Grantee and cannot be transferred in any manner whatsoever.
- 8.7. Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.
- 8.8. At any time after the Effective Date and from time to time, the Committee may, as it deems fit, invite recommendations from the Board/ the chief executive officer/ management of the Company regarding Eligible Employees.

9. METHOD OF ACCEPTANCE

- 9.1. Any Grantee who wishes to accept an offer made pursuant to Clause 8 above 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.
- 9.2. 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.
- 9.3. Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such offer and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Options.

10. LOCK IN AND RIGHT OF OPTION HOLDER (VESTING OF OPTIONS)

- 10.1. Subject to the terms contained herein, the acceptance in accordance with Clause 9 above, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, separate and distinct from the contract of employment entered into between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 10.2. Option granted under Plan shall vest as per vesting schedule recommended by the Committee. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental to the interest of the Employees, which shall be based on the performance of the employee in different grades. The vesting schedule in the grant letter details this information of each employee separately.

Provided that in a case where options are granted by the Company under an ESOP in lieu of options held by the same person under an ESOP in another company which has merged or amalgamated with the first mentioned company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under this clause.

- 10.3. Vesting of the Options would be subject to continued employment with the Company, Subsidiary Company and if the Employee has not served any notice of resignation. Thus the Options would vest on completion of the vesting period. In addition to the continuation of employment / services, the Options shall vest subject to the achievement of the Vesting Conditions as approved by the Committee, further it may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which the options granted would vest and/or lock in period subject to which the Options would vest.

- 10.4. As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 10.5. The options granted to the new employee as a joining bonus will vest only after the completion of three years of continuous service from the date of joining unless the Committee decides to reduce this period. Vesting is contingent upon the employee not serving a notice period or being subject to any disciplinary action during this time.
- 10.6. The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued on exercise of option.

11. EXERCISE PRICE

The Exercise Price shall be as may be decided by the Committee at the time of grant.

- 11.1. The stock options can be granted in two categories:
 - At the price as may be decided by the Committee, which in any case shall not be less than the face value of the Company.
 - The Committee after due discussion with the Board/ the chief executive officer/ management of the Company may set a minimum threshold of the target for the relevant financial year, below which, all the options for the respective period are forfeited and transferred to the pool. At achievement of threshold of the target, only certain % (as mutually decided by the committee after discussion with Board, management and other) of the allocated options get vested and at 100% achievement of target, all options granted for the said year get vested. If the relevant employee achieves more than 100% of the target, the employee will not be entitled to any additional options. If the employee achieves between threshold limit to 100% of the target, the vesting is on a prorated basis.
- 11.2. The exercise Price can be different for different sets of Employees for Options granted on the same or various dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company to comply with the applicable laws Exercise period and process of exercise.
- 11.3. The Exercise price shall be paid to the Company in cheque or by transfer in the Designated account of, Informed by the Company at the time of exercise of Options.
- 11.4. There is no upfront payment at the time of acceptance of the grant.
- 11.5. The Exercise Price shall be the price payable by the employee for exercising the Options granted to him under the Plan as may be decided by the Compensation Committee from time to time, such price being not less than the then existing Face Value of the Share of the Company.
- 11.6. The Exercise Price shall be paid to the Company in cheque or by depositing and transferring the amount in the account designated by the Company for this behalf.
- 11.7. There is no upfront payment at the time of acceptance of the grant.

12. EXERCISE OF OPTION

- 12.1. The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Scheme.
- 12.2. Subject to clause 13.1 below, the Participant alone can exercise the Vested Option.
- 12.3. Subject to clause 10 above and clause 13 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, subject to clause 12.5 below.
- 12.4. The exercise period shall commence from the date of vesting of option and expire on completion of 3 years from the vesting date of each grant of option. The exercise period can be extended only under special circumstances at the discretion of the Committee upon a specific request made by the participant concerned to this effect.
- 12.5. No fraction of a Vested Option shall be exercisable in its fractional form.
- 12.6. 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.
- 12.7. An Option shall be deemed to be exercised only when the Committee receives notice of exercise and the exercise Price from the person entitled to exercise the Option.
- 12.8. 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, or, if requested in writing by the Participant, to the Participant, 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.
- 12.9. There shall be no cashless exercise of the Options.
- 12.10. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.
- 12.11. The Options not exercised within the Exercise Period shall lapse and the Employee shall have
- 12.12. no right over such lapsed or cancelled Options.

13. TERMINATION OF EMPLOYMENT

Treatment of Vested and Un-Vested Option upon Termination of Employee will be decided by the Committee, in conformity with various applicable rules and regulations.

14. NOTICES AND CORRESPONDENCE

14.1. 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 of the Company or to the Committee as may be notified by the Company in writing.

14.2. Any notice, required to be given by the Company or the Committee to a Participant or any correspondence to be made between the Company or the Committee and a Participant shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Participant in his employment form.

15. NOMINATION

15.1. 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, and shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

16. NON-TRANSFERABILITY OF OPTIONS

16.1. Option granted to an employee shall not be transferable to any person.

16.2. No person other than the employee to whom the option is granted shall be entitled to exercise the option.

16.3. The option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

16.4. In the event of the death of employee while in employment, all the option granted to him till such date shall vest in the legal heirs or nominees of the deceased employee.

16.5. In case the employee suffers a permanent incapacity while in employment, all the option granted to him as on the date of permanent incapacitation, shall vest in him on that day.

16.6. In the event of resignation or termination of the employee, all options not vested as on that day shall expire. However, the employee shall, subject to the provision of clause 6.1(e) shall be entitled to retain all the vested options.

16A. DEDUCTION/RECOVERY OF TAX

16.A.1. The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.

16.A.2. The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

16.A.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

17. CORPORATE ACTION

17.1. 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 SBEB Regulations.

18. METHOD OF VALUATION

18.1. The Company shall confirm to the accounting policies specified in the SEBI SBEB Regulations. The Company shall use "Intrinsic Value" method to value its options and to calculate employee compensation cost.

18.2. As the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the directors' report.

18.3. Notwithstanding anything elsewhere contained in this Scheme, no Shares/ sale proceeds there from, as the case may be, shall be disbursed to the Participant or his Beneficiary, on exercise of the Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged.

19. GOVERNING LAW

19.1. This Scheme and all agreements hereunder shall be governed by and construed in accordance with the Applicable laws of India.

19.2. All amendments made from time to time to the SEBI SBEB 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.

19.3. 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 SBEB Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

19A. NOTICES

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

following ways:

- I. sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
- II. delivering the communication(s) to the Option Grantee in person with acknowledgment of receipt thereof; and/ or
- III. emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or
- IV. at the email address provided by the Option Grantee after cessation of employment.

19.B. JURISDICTION

The Courts in Hyderabad, India shall have jurisdiction in respect of any or all matters, disputes or differences arising in relation to or out of this Plan.

Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:

- I. in any other court of competent jurisdiction; or
- II. concurrently in more than one jurisdiction

20. REGULATORY APPROVAL

20.1. 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.

21. VARIATION OF TERMS OF ESOP

21.1. For efficient implementation and administration of the Plan and with the prior approval of the shareholders of the Company by way of a special resolution, the Committee may at its discretion revise the terms of the Plan and/or terms of the Options already granted under the Plan subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.

Provided that post listing the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

21.2. The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Plan is rendered unattractive due to a fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

22. MISCELLANEOUS PROVISION

- 22.1. The Participant shall have no rights as a Shareholder until the name of the Participant has been entered in the register of members of the Company as the holder of the Shares provided hereunder to such Participant.
- 22.2. 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.
- 22.3. This Scheme shall not form part of any contract of employment between the Company and any Eligible Employee, and the rights and obligations of any Eligible 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 Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 22.4. 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.
- 22.5. In the event that an employee who has been granted benefits under a scheme is transferred or deputed to a Subsidiary Company(ies) prior to vesting or exercise, at the discretion of the Committee the vesting and exercise as per the terms of grant shall continue even after the transfer or deputation.
- 22.6. 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.
- 22.7. 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.
- 22.8. By accepting a Grant, a Grantee expressly acknowledges that the grant of option does not constitute guarantee or 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.
- 22.9. The acceptance of the Grant is entirely voluntary and the Company or the Committee does not guarantee any return on Shares.
- 22.10. 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.
- 22.11. In the event that any term, condition or provision of this Scheme being held to be a violation of any Applicable law, statute or regulation the same shall be severed 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 provision had not originally been contained in this Scheme.

23. GENERAL RISK

- 23.1. All investments in shares or options are subject to risk as the value of shares may go down or go up. In addition, the options are subject to the following additional risks:
- a) 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.
 - b) Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.
 - c) Illiquidity: The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
 - d) 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 employee is terminated for cause.

24. TERM OF THE SCHEME

- 24.1. The Scheme shall continue in effect unless terminated by the Company in accordance with the Applicable Laws.
- 24.2. 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.

24A. LISTING OF THE SHARES

Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.

25. CONFIDENTIALITY

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