



## **KFIN EMPLOYEE STOCK OPTION PLAN 2024**

**KFin Technologies Limited**

**VERSION CONTROL**

<b>Version</b>	<b>Effective Date</b>	<b>Date of Board's Approval</b>	<b>Date of Shareholders' Approval</b>	<b>Description of Changes</b>
1.0	November 07, 2024	September 05, 2024	November 07, 2024	New Plan

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## 1. Name and Effective Date of the Plan

- 1.1. This Plan shall be termed as the **KFin Employee Stock Option Plan 2024** (“**Plan**”). The Plan has been approved by the Nomination and Remuneration Committee (“**Committee**”) on August 30, 2024, by the Board of Directors on September 05, 2024, and by the shareholders of the Company by a special resolution passed through postal ballot on November 07, 2024.
- 1.2. The Plan shall be effective from November 07, 2024, hereinafter referred to as the “**Effective Date**”.

## 2. Objective of the Plan

- 2.1. The primary objectives of the Plan are as follows:
  - 2.1.1. To attract, retain and reward talented individuals in the Group, while also motivating eligible employees to actively contribute to the Company's growth and profitability;
  - 2.1.2. To create a sense of ownership of employees in the Group;
  - 2.1.3. To foster sustainable growth and enhance shareholder value by aligning the interests of eligible employees with the long-term goals of the Company.
- 2.2. The Plan will be implemented, for and on behalf of and at the request of the Group, for the employees of the Group. The purpose of this Plan is also to reward and retain the employees of the Group for high levels of individual performance and for efforts to improve the financial performance of the Group, which will ultimately contribute to the success of KFinTech. These purposes are sought to be achieved through the issue of share-based incentive Units comprising of Units (defined hereinafter), for and on behalf of, and at the behest of the Group for its employees.

## 3. Definitions and Construction

### 3.1. Definitions

In this Plan, 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 that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan and / or any Notified Scheme(s) under the Plan.
- b. “**Applicable Laws**” shall mean laws of India to the extent applicable and as amended, modified, substituted, or re-enacted 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. “**Beneficiary**” or “**Nominee**” shall mean the person or persons, trust or trusts designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is / are entitled by the will or probate of the Participant to receive the benefits specified in the Plan, the legal heirs of the Participant, if the Participant dies intestate and includes

the Participant's executors or administrators, 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 the nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.

- d. **"Board"** shall mean the Board of Directors of KFin Technologies Limited.
- e. **"Cause"** shall have such meaning as is set forth in a separate written agreement between an Employee and the Group or, in the absence of such an agreement, shall mean:
- i. Conviction of a crime involving moral turpitude;
  - ii. An act of fraud, embezzlement, theft or any other material violation of law that occurs during or in the course of an Employee's employment with the Group;
  - iii. Damage to assets of the Group caused intentionally or by negligence;
  - iv. Disclosure of Group confidential information contrary to Group policies caused intentionally or by negligence;
  - v. Breach of obligations under this Plan;
  - vi. Engagement in any competitive activity that violates this Plan and / or any written understanding with the Group;
  - vii. A breach of any of the Group's policies, committed intentionally or due to negligence;
  - viii. The willful and continued failure to substantially perform duties for the Group (other than as a result of incapacity due to physical or mental illness); or
  - ix. Willful conduct by Employee that is demonstrably and materially injurious to Group, monetarily or otherwise.

For purposes of this paragraph, an act, or a failure to act, shall not be deemed 'willful' or 'intentional', unless it is done, or omitted to be done, by the Employee in bad faith or without a reasonable belief that his act or omission was in the best interest of the Group. Failure to meet the performance standards or objectives, by itself, does not constitute "Cause". "Cause" also includes any of the above grounds regardless of whether the Group learns of it during or subsequent to the Employee's employment with the Group.

Furthermore, notwithstanding anything contained in this clause above, "Cause" shall also mean an act of omission or commission by the Employee in regard to his duties or affecting his general character, which law and public opinion will pronounce to be sufficient to justify a forfeiture of office.

- f. **"Change of Control"** shall mean an event where the Promoters or the Promoter Group enter into any definitive agreement to sell any Shares in one or more tranches to a buyer and/or where the Company enters into any definitive agreement to allot Shares in one or more tranches to the buyer whereby the shareholding of the Promoter Group ceases to be the

largest shareholding block and the Promoter Group ceases to have the ability to appoint the majority of the Directors on the Board.

- g. **“Closing Date”** shall mean the last date on which the offer of Units made by the Company to a Grantee can be accepted. In case such last date is a non-working day, then the Closing Date shall be deemed to be the immediately following business day.
- h. **“Company”** shall mean KFin Technologies Limited (**“KFintech”**), a Company incorporated and registered under the Companies Act, 2013, having its registered office (currently) at Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.
- i. **“Companies Act 2013”** shall mean the Companies Act, 2013 read with rules made thereunder from time to time including any statutory modifications or re-enactments thereof.
- j. **“Nomination and Remuneration Committee”** or **“Committee”** shall mean the Nomination and Remuneration Committee constituted by the Board from time to time, comprising of such members of the Board as prescribed in the applicable laws, 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.
- k. **“Continuing Employee”** shall mean an Employee who continues with his employment with the Group in the normal course or post a Change of Control event should such an event occur.
- l. **“Constructive Dismissal”** shall have such meaning as is set forth in any Scheme or a separate written agreement between an Employee and the Group or, in the absence of such a meaning set forth in any Scheme / an agreement, it shall mean termination of employment as a consequence of a Change of Control and because of:
  - i. A reduction in the Participant’s then current salary, except due to a relocation or a general reduction in salaries;
  - ii. A material diminution of the Participant’s responsibilities, status, title or duties hereunder;
  - iii. A failure by the Group to provide the Participant with benefits which are comparable in material respects as those provided immediately prior to a Change of Control;

Provided, however, that unless stated otherwise in the Scheme or a separate written agreement between an Employee and the Group, a Constructive Dismissal will only occur upon (1) written notice by the Participant to the Group of the existence of one or more of the conditions listed above and of the Employee’s intention to terminate employment with the Group, within 30 days after the commencement of such condition; and (2) the Group’s failure to cure such condition within 30 days after the Group’s receipt of such notice. Any such written notice shall specify the particular act or acts, or failure to act, which is or are the basis for the Constructive Dismissal.

- m. **“Corporate Action”** shall mean a rights issue, a bonus issue, a merger, a sale of a division and other similar actions.
- n. **“Director”** shall mean a member of the Board.
- o. **“Eligible Employee”** for the purpose of this Plan shall mean identified Employee(s) as per Clause 5 below.
- p. **“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, a nominee Director of the Company; or
  - iii. an employee as defined in sub-clauses (i) or (ii), of a group Company including subsidiary Company, in India or outside India, but does not include:
    - an employee who is a promoter or a person belonging to the promoter group; or
    - a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.
- q. **“Exercise”** shall mean making of an application by the Participant to the Company for issue of Shares against the Vested Units as per terms and conditions stated in this Plan and / or Notified Scheme(s).
- r. **“Exercise Date”** shall mean the date on which the Participant exercises his rights in respect of Vested Units.
- s. **“Exercise Period”** shall mean the exercise period as defined under the relevant Notified Scheme(s) under the Plan, within which the Vested Units can be exercised.
- t. **“Exercise Price”** shall mean the price of each Share payable by the Participant for exercising the Vested Units granted to him in pursuance of the Plan / Notified Scheme(s).
- u. **“Ex-Employees”** shall mean an Employee who has separated (whether voluntarily or involuntarily, other than for Cause) or retired from employment with the Company or the Group.
- v. **“Fair Market Value”** shall mean the closing price of the shares on the Stock Exchanges on which the equity shares of the Company are listed, as on the date immediately preceding the date of exercise / grant.
- w. **“General Meeting”** shall mean a General Meeting (including an Extraordinary General Meeting / Postal Ballot) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and Applicable Laws.



- x. **“Grant”** shall mean the process by which a Grantee is granted a Unit.
- y. **“Grant Date”** shall mean the date on which the Units are granted to a Grantee by the Company or Committee under the relevant Notified Scheme of the Plan.
- z. **“Grant Letter”** shall mean the letter by which a Grant of Units is communicated to the Grantee.
- aa. **“Grant Price”** shall mean the price at which the units are granted to the grantees, as defined in the respective notified Schemes.
- bb. **“Grantee”** shall mean an Eligible Employee pursuant to Clause 5 below, who at the time of the Grant of the Unit is eligible to participate under the Plan.
- cc. **“Group”** means the Company and its present and future Subsidiary Companies, in India or outside India.
- dd. **“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, and the Companies Act, 2013.
- ee. **“Independent Valuer”** shall mean a registered valuer under the Companies Act, 2013.
- ff. **“Lock-in Period”** means the period during which the Participant must not sell, pledge, or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over or right attaching to any of his Shares.
- gg. **“Long Leave”** shall mean any leave (whether paid or unpaid) from the services of the Group for a period of time that exceeds 03 consecutive months in any fiscal year and shall include maternity leave or sabbatical leave in terms of the relevant policies of the Group.
- hh. **“Nomination Form”** means the form through which an Employee may nominate a person on his behalf to Exercise the rights of such Employee under the Plan, as specified under Clause 19 of the Plan.
- ii. **“Nominee Director”** shall mean a non-independent director nominated by any institution or any shareholder on the Board of the Company.
- jj. **“Participant”** shall mean a Grantee who accepts a Grant from the Company to participate in this Plan pursuant to Clause 9 below and, in case of death / permanent disability of a Grantee, shall include a Beneficiary or Nominee of the Grantee.
- kk. **“Plan”** shall mean this KFin Employee Stock Option Plan 2024 under which the Company grants Units to Grantees, and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time. Further, the Plan shall also include Schemes notified as per Clause 4 below.
- ll. **“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, and the Companies Act, 2013.

- mm. “**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.
- nn. “**Relative**” shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013.
- oo. “**Scheme(s)**” or “**Notified Scheme(s)**” shall mean the scheme(s) approved and notified by the Committee / Board / Company to be a part of the Plan.
- pp. “**SEBI (SBEB & SE) Regulations**” means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with all circulars and notifications issued thereunder.
- qq. “**Share**” shall mean an equity share of Company.
- rr. “**Shareholder**” shall mean a registered holder of a Share in the share capital of the Company.
- ss. “**Subsidiary Company**” or “**Subsidiary**” shall mean a subsidiary Company as defined under Section 2(87) of the Companies Act, 2013, in India or outside India.
- tt. “**Termination Date**” shall mean the date of termination of employment or the date of separation, whichever is earlier, of the Participant with / from the Group.
- uu. “**Unit**” shall mean a right, but not an obligation to acquire and be allotted a Share at the Exercise Price determined in accordance with Clause 11 below, subject to the other terms and conditions of the Plan.
- vv. “**Unvested Unit**” shall mean a Unit which is not a Vested Unit.
- ww. “**Vesting**” shall mean the process by which the Participant is given the right but not an obligation, to apply for Shares of the Company against the Unit granted to him in pursuance of the relevant Notified Scheme under the Plan, subject to the provisions of this Plan.
- xx. “**Vested Unit**” shall mean a Unit, which has vested in pursuance of Clause 10 below with the Participant and has thereby become exercisable subject to the provisions of this Plan and the applicable Notified Scheme.
- yy. “**Vesting Date**” shall mean the date on and from which the Unit vests with the Participant and thereby becomes exercisable subject to the provisions of this Plan and the applicable Notified Scheme.
- zz. “**Vesting Period**” shall mean the period during which the vesting of the Unit granted to the Participant in pursuance of the relevant Notified Scheme under the Plan takes place.

### 3.2. Construction

In this Plan, unless the contrary intention appears:

- a. References to Clauses are to the clauses of this Plan.

- b. The headings / sub-headings / 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 clauses, which shall be interpreted solely in the 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. Reference to any Act, Rules, Statute or Notification shall include any statutory amendment, modification, substitution, or re-enactment thereof.
- g. words denoting the singular shall include the plural and *vice versa*.
- h. words denoting a gender include any other gender.

#### **4. Notification of the Schemes**

- 4.1. The Company / Board / Committee shall notify the Schemes under this Plan.
- 4.2. The Board / Committee may, subject to a special resolution passed at a General Meeting or through Postal Ballot, at any time and from time to time, add, amend, alter, or revoke any Scheme notified under the Plan, provided such variation is not prejudicial to the interests of the Grantee.

#### **5. Eligibility**

- 5.1. The eligibility to participate in the Plan is subject to such criteria as may be decided by the Committee at its own discretion, including, but not limited to the date of joining of the Employee with the Group, grade of the Employee, performance evaluation, period of service with the Group, criticality, or any other criteria, as the Committee determines. Further, the Committee at its own discretion may grant Units to any new Employee at the time of joining the Group or to any Employee for his performance in the Group.
- 5.2. Based on the eligibility criteria as described in Clause 5.1 above, the Committee will determine the eligibility of Employees for a Grant of Units under the Plan and accordingly, the Board / Company / Committee may offer the Units to the identified Employees under the Notified Scheme.

#### **6. Administration**

- 6.1. This Plan and the Notified Schemes shall be administered directly by the Company and not through a trust, through the Committee working under the powers delegated by the Board, which may delegate its duties and powers in whole or in part as it may determine. The Committee is authorized to interpret the Plan and Notified Scheme(s), to establish, amend and rescind any rules and regulations relating to the Plan or any Notified Scheme(s), and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan and any Notified Scheme(s). The Committee may correct any defect, omission or reconcile any

inconsistency in the Plan or any Notified Scheme in the manner and to the extent the Committee deems necessary or desirable and resolve any difficulty in relation to the implementation of the Plan or any Notified Scheme and take any action which the Board is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan / Scheme(s). No member of the Committee may act upon matters under the Plan / Scheme(s) specifically relating to such member.

- 6.2. Any decision of the Committee in the interpretation and administration of this Plan and Notified Scheme(s), 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 Employees, Grantees, Participants). The Company / the Board / the Committee shall not be liable for any action or determination made in good faith with respect to the Plan or any Unit granted thereunder.
- 6.3. The Committee shall, *inter-alia* do the following:
- a. Determine the quantum of Units to be granted under the Plan/Scheme(s) to an Employee and in the aggregate;
  - b. Determine the conditions under which Units vested in a Participant may lapse in case of termination of employment;
  - c. Determine the Exercise Period within which a Participant should Exercise the Units and determine that Units would lapse on the failure to Exercise the Units within the Exercise Period;
  - d. Determine the circumstances under which the Unvested Units can be accelerated for Vesting;
  - e. Determine the right of a Participant to Exercise all the Units vested in him at one time or various points in time within the Exercise Period;
  - f. Determine the procedure for making a fair and reasonable adjustment to the number of Units and to the Exercise Price in case of Corporate Actions such as right issues, bonus issue(s), scheme of arrangement and others. In this regard following shall be taken into consideration by the Committee:
    - i. the number and the price of Units shall be adjusted in a manner such that total value of the Units to the Participant remains the same after the corporate action; and
    - ii. the Vesting Period and the life of the Units shall be left unaltered as far as possible to protect the rights of the Participant.
  - g. Determine the Grant, Vesting and Exercise of Units in case of Employees who are on Long Leave;
  - h. Determine the procedure for buy-back of specified securities issued under the SEBI (SBEB & SE) Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- i. permissible sources of financing the buy-back;
- ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- iii. limits upon quantum of Units that the Company may buy-back in a financial year.

*Explanation – 'specified securities' mean as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.*

- i. Determine the procedure for funding for Exercise of Units, as permitted under the Applicable Laws;
- j. approve forms, writings and / or agreements for use in pursuance of the Plan
- k. To take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan / Scheme(s) or the administration or interpretation thereof;
- l. To frame suitable policies and systems, as may be required, to ensure that there is no violation of the Applicable Laws by any Employee in connection with the Plan / Scheme(s);
- m. Administer and reconcile any inconsistency in the Plan / Scheme(s); and
- n. Perform such other functions and duties as shall be required under Applicable Laws.

## **7. Share Pool**

- 7.1. Subject to Clause 19 below, the maximum number of Shares that may be issued pursuant to Exercise of Units granted to the Participants under this Plan shall not exceed 25,00,000 (Twenty-Five Lakh) shares.
- 7.2. The maximum number of Units that may be granted under the Notified Scheme(s) shall be as specified in the relevant Notified Scheme(s).
- 7.3. Notwithstanding the foregoing provisions of Clauses 7.1 and 7.2 above, all Units that have lapsed (including those having lapsed by way of forfeiture / revocation) shall be added back to the number of Units that are pending to be granted under the relevant Notified Scheme(s). The Committee / Company / Board may Grant such Units within the overall limit determined in accordance with the Notified Scheme(s) under the Plan.

## **8. Grant of Units**

- 8.1. The Committee may offer the Units to a Grantee in accordance with the terms and conditions under the Plan / Notified Scheme(s). The Committee will decide the number of Units to be granted to each Eligible Employee.
- 8.2. Subject to the overall limit prescribed in Clause 7.1 above, Units may be granted in one or more tranches.

- 8.3. Each Unit may, subject to the terms and conditions of the Plan, ultimately entitle the Participant to one Share of the Company.
- 8.4. Prior approval of shareholders of the Company through a separate special resolution shall be obtained in case the Grant of Unit to any identified Employee, in any 1 (one) financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Unit.
- 8.5. Prior approval of shareholders of the Company through a separate special resolution shall be obtained in order to extend the Plan to the Employees of the present and future Subsidiary Companies.
- 8.6. The Grant by the Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws, including but not limited to the following:
  - a. Number of Units granted;
  - b. Vesting Schedule;
  - c. Exercise Price;
  - d. Exercise Period;
  - e. Closing Date.
- 8.7. The Closing Date of accepting the offer of Grant shall be as specified in the relevant Notified Scheme(s). In any event, the Closing Date shall not be more than thirty days from the Grant Date.
- 8.8. An offer made under Clause 8.1 above shall be personal to the Grantee and shall not be transferrable in any manner whatsoever.

## **9. Acceptance of Grant**

- 9.1. The method of acceptance of the Grant made pursuant to Clause 8 and under the Notified Scheme(s), shall be determined in accordance with the Notified Scheme(s) under the Plan.
- 9.2. Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant.
- 9.3. Subject to the terms contained herein, the acceptance in accordance with this Clause and the relevant Notified Scheme(s), of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Unit shall, on such acceptance, be an Unvested Unit.

## **10. Vesting of Units**

- 10.1. Subject to Clause 14 and Clause 15 below, the Unvested Units shall vest with the Participant in accordance with the Notified Scheme(s) under the Plan.

- 10.2. As a prerequisite for a valid Vesting, the Participant should not be subject to any ongoing disciplinary proceedings against him on the date of Vesting. In case of any disciplinary proceedings against the Participant, the relevant Vesting may be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly by the Committee.
- 10.3. Upon vesting, the Vested Units shall be exercisable in accordance with the terms and conditions set forth under the Notified Scheme(s) under the Plan.
- 10.4. Notwithstanding anything mentioned in the Scheme(s) under the Plan and subject to Clause 14.1, Clause 14.2 below, Units which are not vested shall automatically lapse after the Vesting Date and the contract referred to in Clause 9.3 above shall automatically be terminated without any surviving rights / liabilities for any party.
- 10.5. Vesting of Units upon termination of employment are covered separately under this Plan.
- 10.6. In the event a Participant is transferred or deputed to a Subsidiary Company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.
- 10.7. Vesting shall be limited to whole number of Units, and fractional Units (if any) will be rounded up to the nearest integer.

## **11. Exercise Price**

- 11.1. The Exercise Price of the Vested Units shall be determined in accordance with the Notified Scheme(s) under the Plan.

## **12. Exercise of Units**

- 12.1. Subject to the relevant Notified Scheme(s), Clause 10 and Clause 14 of the Plan, the Participant alone can Exercise the Vested Units within the Exercise Period as per the relevant Scheme(s).
- 12.2. No Vested Unit shall be exercisable in a fractional form.
- 12.3. Exercise of the Vested Units shall take place at the time and place designated by the Board / Company / the Committee and by executing such documents as may be required under the Applicable Laws and / or by the Company / the Committee to pass a valid title of the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out herein.
- 12.4. A Vested Unit shall be deemed to be validly exercised only when the Committee or any other person authorized by the Committee / Board receives written and signed notice of Exercise (“**Exercise Form**”) from the Participant or the Participant exercises his vested units through the online tool / portal implemented by the Company for the purpose, and, subject to Clause 11 above, the full payment of the Exercise Price, taxes (wherever arising) and any other sums

due to the Company as per the Plan in respect of Exercise of the Unit (“**Aggregate Exercise Price**”).

- 12.5. The Committee shall endeavor to ensure that the process of allotment of Shares to the Participant who has validly exercised his Vested Units is completed within prescribed time.
- 12.6. Notwithstanding anything else contained in the Notified Scheme(s) under the Plan and, if the Participant does not exercise his Vested Units within the time specified in Clause 12.1, and Clause 14 of the Plan, the Units shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any liability to the Company / the Group.
- 12.7. The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Units. Payment must be made by one of the following methods:
  - a. Cheque or demand draft issued in the name of the Company as the Committee may specify; or
  - b. Remittance directly to the bank account of the Company (wire transfer) as the Committee may specify; or
  - c. Any combination of such methods of payment as acceptable to the Committee at its sole discretion.
- 12.8. Upon completion of a valid Exercise of Units as laid out above, the Committee shall make an allotment of Shares to the Participant either directly from the Company or under any other mechanism as permissible under Applicable Laws and along with requisite resolutions to that effect. On exercising, the Company shall allot Shares to the Participant, or if requested in writing by the Participant, to the Participant or jointly with another person, provided (a) the Committee finds the Exercise Form complete; and (b) all the conditions of this Plan are complied with.
- 12.9. Only upon allotment of the Shares, the Participants shall become members of the Company. Subject to Clause 17 below, the Shares to be allotted shall rank *pari-passu* in all respects with the outstanding Shares of the Company.
- 12.10. At the time of allotment of Shares pursuant to a valid Exercise, the Participant will be required to sign such papers as may be considered necessary by the Committee to lawfully execute / enforce various provisions of the Plan / Scheme(s).
- 12.11. Subject to Clause 17 of the Plan, the Participant shall sell the Shares so acquired in accordance with suitable policies/ rules/ procedures framed by the Company / the Committee.
- 12.12. Change of Control

Notwithstanding anything contrary contained in the Plan and / or the Notified Schemes thereunder, an event of Change of Control shall not affect in any manner the Plan and / or the Notified Schemes, the granted Units (vested or unvested), the Shares already allotted, and the Plan and / or the Notified Schemes thereunder, the granted Units (vested or unvested) and the Shares shall remain in full force and effect.



### **13. Tenure**

- 13.1. This Plan and any Notified Scheme(s) shall continue in effect unless terminated by the Board / the Company / the Committee.
- 13.2. Any such termination of this Plan or Notified Scheme(s) shall not affect Units / Shares already granted / allotted and such Units / Shares shall remain in full force and effect as if the Plan / the Notified Scheme(s) had not been terminated unless mutually agreed otherwise between the Participant and the Committee / the Board / the Company.

### **14. Termination of Employment**

#### **14.1. On death of a Participant**

In the event of death of a Participant while in employment with the Group, subject to the relevant Notified Scheme(s), all the Units granted to him till such date and lying unvested shall vest in the Beneficiary of the deceased Participant on that day. The Vested Units shall be permitted to be exercised within the Exercise Period as defined under the relevant Notified Scheme(s). Any Vested Units not exercised within the Exercise Period as defined under the relevant Notified Scheme(s) shall automatically lapse at the end of the Exercise Period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right / liability for any party.

#### **14.2. On disability of a Participant**

In the event of the termination of a Participant's employment with the Group as a result of permanent incapacity or disability (as per Group policies), subject to the relevant Notified Scheme(s), all the Units granted to him till such date of permanent incapacitation and lying unvested, shall vest in him on that day subject to Clause 12 above. The Vested Units shall be permitted to be exercised within the Exercise Period as defined under the relevant Notified Scheme(s). Any Vested Units not exercised within the Exercise Period as defined under the relevant Notified Scheme(s) shall automatically lapse at the end of the Exercise Period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right / liability for any party.

#### **14.3. On attainment of superannuation age**

In case the services of the Participant with the Group are terminated due to the Participant's retirement (as per the Group policies) on attaining the age of retirement, all Unvested Units granted to him would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the Company's policies and the applicable law. The Vested Units shall be permitted to be exercised within the Exercise Period as defined under the relevant Notified Scheme(s). Any Vested Units not exercised within the Exercise Period as defined under the relevant Notified Scheme(s) shall automatically lapse at the end of the Exercise Period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right / liability for any party.

#### **14.4. Termination for Cause**

In case the termination of employment of a Participant with the Group is for Cause, his Units (Vested and not Exercised as well as Unvested) shall stand automatically forfeited on the Termination Date and the contract referred to in Clause 9.3 above shall stand automatically terminated without any liability to the Company.

**14.5. Other terminations**

In case the service of the Participant with the Group is terminated for reasons other than specified in Clauses 14.1 to 14.4 above, all Unvested Units with the Participant on the Termination Date shall lapse. The Vested Units shall be permitted to be exercised within the Exercise Period as defined under the relevant Notified Scheme(s). Any Vested Units not exercised within the Exercise Period as defined under the relevant Notified Scheme(s) shall automatically lapse at the end of the Exercise Period and the contract referred to in Clause 9.3 above shall stand automatically terminated without any surviving right / liability for any party.

**14.6. Long Leave**

Notwithstanding anything contained in this Plan, effect of any Long Leave given will be as considered appropriate by the Committee.

**15. Special provisions related to non-competition, non-solicitation, confidentiality, and intellectual property**

**15.1. Non-Competition while in the employment of the Group**

In case any Participant who is employed with the Group carries on or engages in or participates in, directly or indirectly, whether through a partnership or as a shareholder, a joint venture partner, a collaborator, a consultant or an agent or in any other manner whatsoever (including as an employee) whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group, then, in such event, the provisions of Clause 15.5 shall apply, unless otherwise stated in the Scheme. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment in the shares of a public listed Company held as a portfolio investment by the Participant or any activity / business carried out by the Participant pursuant to his duties as an employee or director of the Group.

**15.2. Non-Solicitation while in the employment of the Group**

- a. In case any Participant solicits any client and / or prospective client of the Group to direct its business / purchase of the Group's services to any other entity and / or person whatsoever, or supports or otherwise participates in such solicitation by any other person / entity whatsoever, then, in such event, the provisions of Clause 15.5 shall apply unless otherwise stated in the Plan.
- b. Similarly, in case any Participant solicits any employee and / or consultant of the Group to separate from the services of the Group or supports or otherwise participates in such solicitation by any other person / entity whatsoever, then, in such event, the provisions of Clause 15.5 shall apply.

**15.3. Violation of obligations related to confidentiality and / or intellectual property while in the employment of the Group**

In case the Participant violates any obligations related to confidentiality and / or intellectual property contained in any writings / agreements *etc.*, executed by the Participant, then, in such event, the provisions of Clause 15.5 shall apply.

**15.4. Violation of obligations related to confidentiality and / or intellectual property and / or non-solicitation after separation from the Group**

In case of a Participant violating any obligations related to confidentiality and / or intellectual property and / or non-solicitation of the clients, prospects, employees, consultants, *etc.*, of the Group that may be contained in any agreement / writing / letter executed between the Participant and the Group in this regard, then, in such event, the provisions of Clause 15.5 shall apply

**15.5. Treatment of Unvested and Vested Units**

Unless otherwise specifically authorized by the Committee, in the case of any of the scenarios listed in Clauses 15.1 to 15.4 above: (i) All Vested and not Exercised Units shall lapse (ii) All Unvested Units shall stand revoked. The decision of the Committee in this regard shall be final and conclusive and shall not be called in question by the Participant.

**15.6. Implementation and Interpretation of the Clauses**

It is recognized and agreed by the Participant that confidentiality of information, protection of intellectual property, non-solicitation of clients / prospective clients / customers and non-solicitation of employees / consultants are key aspects related to the business of the Group and accordingly, the obligations contained in Clauses 15.1 to 15.4 above shall be interpreted in the widest possible commercial spirit.

**16. Notices and Correspondence**

16.1. Any notice required to be given by a Participant to the Company / the Committee or any correspondence to be made between a Participant and the Company / the Committee may be given or made to the Company / the Committee at the registered office of the Company for the attention of the Company Secretary, or at a place as may be notified by the Company / the Committee in writing.

16.2. Any notice, required to be given by the Company / the Committee to a Participant or any correspondence to be made between the Company / the Committee and a Participant shall be given or made by the Company / the Committee on behalf of the Company at the address provided by the Participant in his Acceptance Form or Nomination Form or through electronic means. It shall be incumbent upon the Participant to keep the Company informed of any changes to this information from time to time.

## **17. Lock-in**

- 17.1. The Shares allotted pursuant to the Exercise of the Vested Units under Clause 12 above in accordance with any Notified Scheme(s) shall be subject to a lock-in period as determined in accordance with the relevant Notified Scheme(s), if any.

## **18. Buyback / Repurchase of Units / Shares**

- 18.1. The Shares issued pursuant to any Exercise of the Vested Units, along with other Shares issued by the Company, subject to applicable laws and procedures, are subject to an approved scheme of buyback by the Company. The Board, based on the recommendation of the Committee and on behalf of the Company, is authorized but not obligated to repurchase (buyout) and cancel Vested Units which are not Exercised by the Participants, at any time as it deems appropriate.

## **19. Beneficiary / Nominee Designation**

- 19.1. Each Participant under the Notified Scheme(s) under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Plan 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, shall be in a form prescribed by the Company and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

## **20. Non-transferability of Units**

- 20.1. Save as otherwise provided in Clause 14.1 above, the Units granted herein are personal to the Participant. The Units cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Laws, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## **21. Corporate Actions**

- 21.1. The existence of the Plan / Notified Scheme(s) and any Grant made thereunder shall not in any way affect the right or the power of the Board or the Shareholders of the Company to make or authorize any change in capital structure, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan / Notified Scheme(s) or any Grant made thereunder. No Employee or other person shall have any claim against the Company as a result of such action.
- 21.2. In the event of any Corporate Action, the Committee may, subject to the provisions of the relevant Notified Scheme(s) and the Plan and Applicable Laws, adjust the number of Units (Vested as well as Unvested) or the Exercise Price in respect of the Units or the Vesting Period

or the Exercise Period or take one or more of the foregoing actions as specified in the Plan as it deems appropriate while ensuring that the interests of the Unit holders are reasonably protected.

## **22. Withholding Tax or any other Sums**

- 22.1. All Units granted under this Plan shall be subject to all applicable taxes, withholding tax and / or any levy and / or any contribution and / or any sums due (by whatever name it is called) arising due to participation in the Plan and the Scheme notified therein (in or outside India), if any, and the Company and / or Group and / or Committee, accordingly, may withhold such taxes and / or levy and / or contribution and/or payment in full unless Committee decides to withhold in part.
- 22.2. Notwithstanding anything contained in the Notified Scheme or any other Clauses of the Plan, if, on the Grant of Unit and / or on the Vesting of Unit and / or on the Exercise of Units and / or on allotment of Shares under the Notified Scheme(s) and / or at any time while this Plan is in operation, the Participant shall be responsible for any levy and / or taxes and / or contribution and/or payment (by whatever name called), that is levied on or payable by the Company / Group. Such taxes and / or levy and / or contribution and / or payment shall be recovered in full.
- 22.3. Notwithstanding anything else contained in this Plan or under the Notified Scheme, no Shares / sale proceeds therefrom, as the case may be, shall be issued / allotted / transferred / disbursed to the Participant, on Exercise of the Units under the Notified Scheme(s) under the Plan, unless appropriate levies / taxes / contributions / payments as provided in this Clause are recovered in full.

## **23. Reimbursement of Cost by Subsidiary Companies**

- 23.1. The cost incurred by the Company for issuing Units to the employees of the Subsidiary Companies shall be reimbursed by the respective Subsidiary Companies to the Company.

## **24. Arbitration**

- 24.1. In the event of a dispute arising out of or in relation to the provisions of this Plan or any Notified Scheme(s) (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement.
- 24.2. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 30 days, gives 15 days' notice thereof to the other party in writing.
- 24.3. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties.

- 24.4. The arbitration proceedings shall be held in Mumbai under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The arbitration proceedings shall be conducted in English language and in accordance with the Applicable Laws. The parties shall submit to the arbitrator's award and the award shall be enforceable as a decree of a competent court of law at Mumbai.

## **25. Governing Law**

- 25.1. This Plan, all Notified Schemes under the Plan, and all agreements / documents *etc.*, thereunder shall be governed by and construed in accordance with the Applicable Laws.
- 25.2. The Units are subject to the Plan and the Notified any Applicable Law, including but not limited to the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 25.3. In the event that any term, condition or provision of the Plan and the Notified Scheme(s) being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Plan or the relevant Notified Scheme(s) and shall be of no force and effect and the Plan and the relevant Notified Scheme(s) shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan or the relevant Notified Scheme(s).
- 25.4. In order to comply with regulation of any other country or to avail any tax or other benefits, or to simplify the logistics of executing the Plan to meet its objectives, the Committee or Board may at its sole discretion formulate an addendum to this Plan for Employees employed in that country and made applicable to such Employees from the date determined by the Committee / Board.

## **26. Regulatory Compliances / Disclosures**

- 26.1. The implementation of the Plan and the relevant Notified Scheme(s), the Grant of any Unit as per terms of the relevant Notified Scheme(s) under the Plan and the issuance of any Shares as per the relevant Notified Scheme(s) under the Plan shall be subject to the procurement by the Company and the Participant of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan and / or the relevant Notified Scheme(s), the Units and the Shares issued pursuant thereto.
- 26.2. The Participant under this Plan will, if requested by the Committee, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- 26.3. The Board shall make all the relevant disclosures in the Director's Report in relation to the Plan as are required under the Applicable Laws.
- 26.4. The Company / Subsidiary Companies shall follow and conform to the applicable accounting policies issued by Applicable Laws from time to time.

## 27. Modification of the Plan / Scheme

Subject to the applicable laws, the Board / Committee may, subject to a special resolution passed at a General meeting or through Postal Ballot at any time and from time to time:

- 27.1. Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan, the relevant Notified Scheme(s) or all or any of the rights and obligations of the Grantee / Participant;
- 27.2. Formulate various sets of special terms and conditions in addition to those set out herein, to apply to Grantee / Participant. Each of such sets of special terms and conditions shall be restricted in its application to such Grantee/ Participant;
- 27.3. Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee / Participant separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee / Participant; and
- 27.4. Alter the Exercise Price, if the Unit becomes unattractive due to fall in the value of the Shares.

Provided that no variation, alteration, addition or amendment to the Plan or any Notified Scheme under the Plan shall be made if it is detrimental to the interests of the Grantee / Participant.

## 28. Miscellaneous

- 28.1. 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. The new Shares of the Company to be issued and allotted by the Company in the manner aforesaid shall rank *pari-passu* in all respects with the then existing Shares.
- 28.2. The Plan and / or the relevant Notified Scheme(s) shall not form part of any contract of employment between the Company / the Group 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 the Plan / Notified Scheme(s) or any right which he may have to participate in it and this Plan / Notified Scheme(s) 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.
- 28.3. This Plan / Notified Scheme(s) shall not confer on any person, any legal or equitable rights against the Company / the Committee, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or the Committee.
- 28.4. The Company shall bear the costs of establishing and administering this Plan / Notified Scheme(s), including any costs of the Company's auditors or any independent financial advisor in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan / Notified Scheme(s).

- 28.5. A Grantee shall, before accepting a Grant, obtain all necessary consents 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 the Notified Scheme(s) of this Plan, the Shares due to be allotted and issued upon the Exercise of his Vested Units. By accepting a Grant and / or submitting the Exercise Form, the Grantee / 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 or Exercise of the Vested Units by the Participant.
- 28.6. By accepting a Grant, a Grantee expressly acknowledges that the Grant of Unit does not constitute guarantee or continuity of employment and the Company / Group shall reserve the right to terminate the employment of Grantee with the Company / Group 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 Plan / Notified Scheme(s).
- 28.7. The Grant of Units is of an occasional and extraordinary nature and constitutes a gratuitous and discretionary act by the Company. By accepting a Grant, a Grantee expressly acknowledges that the Grant of Units under the Notified Scheme(s) under the Plan does not guarantee him any entitlement to any future Grant of Units under Notified Scheme(s) under this Plan or any other plans of the Group. The Grantee further acknowledges that the Grant of Units shall not form a part of his normal, habitual, or expected remuneration.
- 28.8. The Participant shall comply with all the relevant provisions applicable to a listed Company including prohibition of insider trading regulations of SEBI / Applicable Laws as amended from time to time.
- 28.9. The acceptance of the Grant is entirely voluntary, and the Company / the Committee does not guarantee any return on Shares. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Participant alone.
- 28.10. This Plan and any Notified Scheme(s) under this Plan 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.

## **29. Set-off**

- 29.1. It is the Group's / the Committee's obligation to convey to the Participant that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant to the Group / the Committee, to the extent permitted under Applicable Laws.

## **30. Confidentiality**

- 30.1. Notwithstanding anything contained in this Plan, the Grantee / Participant shall not divulge the details of the Plan and / or his holdings to any person (other than his attorneys, advisors, and nominees) except with the prior written permission of the Company / the Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such



Grantee / Participant. In case of failure to comply with this Clause by the Grantee / Participant, the Grant or the contract referred to in Clause 9.3 above, as the case may be, shall, unless the Company / the Committee decides otherwise, stand automatically terminated without any surviving right / liability for any party.

- 30.2. The decision and judgment of the Committee regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Grantee / Participant. 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.
- 30.3. On the Grant of Unit, it shall be deemed as if the Grantee / Participant has authorized the Company to disclose information relating to the Grantee / Participant during the process of implementation of the Plan / Notified Scheme(s) 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.

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