



## **Reliance Infrastructure Limited**

### **Reliance Infrastructure Employee Stock Option Scheme 2024**

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## **Reliance Infrastructure - Employee Stock Option Scheme 2024**

This Scheme shall be called “**Reliance Infrastructure Employee Stock Option Scheme, 2024**” hereinafter referred to as (“**ESOS 2024**” or “**Scheme**”). The Scheme contemplates the grant of Stock Options to the employees of Reliance Infrastructure Limited, (the Company) / its group company(ies) including its Holding, Subsidiary, and Associates Company(ies) (present and future, if any). After vesting of Options, the Eligible Employees earn a right, but not the obligation, to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and conditions of the Scheme. The Nomination and Remuneration Committee of the Board of Directors of the Company, acting as the ESOS Compensation Committee, shall implement, administer and monitor the Scheme. The Options to be granted under the Scheme shall not be treated as an offer or invitation made to the public for subscription of Securities of the Company.

### **1. Objectives, and Terms of the ESOS**

- 1.1. The Company has transited to the phase of leveraging market opportunities, business growth including addressing of business competitions which has resulted in consistent demand for talents for critical roles. Apart from this, emergence of new skillsets relevant for the Company's business has resulted in changed dynamics of the talent market. This has necessitated in bringing out a meaningful reward strategy for attraction of new talents and retention of both existing and new critical resources having leadership qualities, or holding critical roles as required in the businesses.
- 1.2. In this scenario, performance-linked equity compensation schemes are an effective tool to reward the talents working with the Company, its subsidiaries, associates and holding company (present and future, if any). Further, equity-based compensation enables alignment of the rewards with the long-term value creation for the shareholders. It also helps in creating ownership culture, and to retain, motivate and attract talents considering growing business.
- 1.3. With a view to motivate employees, seek their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, to retain them for ensuring sustained growth, to reward for loyalty and to link interests of employees with shareholders, it is thought expedient to implement performance-linked employee stock option scheme wherein employee stock options will be granted to the eligible employees with predefined mandatory performance conditions.
- 1.4. This Scheme is approved by Shareholders of the Company by passing a Special Resolution through Postal Ballot on 3<sup>rd</sup> November 2024, under section 62 of the Companies Act, 2013 (hereinafter referred to as “**Approved by Shareholders**” or “**Shareholder’s Approval**”), and in terms of the Securities and Exchange

Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation 2021 ("**SEBI SBEB Regulations**"). The Board of Directors of the **Company**, at its meeting held on 1<sup>st</sup> October 2024 has appointed Nomination and Remuneration Committee of the Board of Directors as the "**ESOS Compensation Committee**". The Scheme shall continue to be in force until (i) terminated by the Board, or (ii) the date on which all of the options available for issuance under this Scheme have been exercised and shares have been issued and allotted to the relevant Employees, whichever is earlier.

## 2. Definitions

As used herein, the following definitions will apply. It is clarified that all references to laws (whether Indian law or any other Applicable Law) or to any specific provision of any law shall mean all delegated legislation issued thereunder (as may be amended from time to time), any legislation which (wholly or in part) replaces such law/provision and any amendments to such law/provision or its replacement.

- 2.1 "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules thereunder, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ( "**SEBI SBEB Regulations**"), Foreign Exchange Management Act, 1999 read with the rules and regulations made thereunder including circulars and notifications issued by Reserve Bank of India, Income Tax Act, 1961, as amended from time to time, and all other relevant tax laws, securities laws, exchange control regulations or corporate laws of India or any relevant jurisdiction or of any stock exchanges where the Equity Shares of the Company are listed.
- 2.2 "**Associate Company**" shall have the same meaning as defined under Section 2(6) of the Companies Act, 2013, as amended from time to time.
- 2.3 "**Board of Directors**" means the Board of Directors of the Company.
- 2.4 "**Cause**" means any of the following acts or omissions by an employee in addition to any provisions prescribed in the offer or terms of employment amounting to Misconduct or breach of terms of employment as determined by the ESOS Compensation Committee after giving the employee an opportunity of being heard:
- i. dishonest statements or acts of an employee with respect to the Company;
  - ii. a felony or any misdemeanour involving moral turpitude, deceit, dishonesty or fraud committed by Employee;

- iii. gross negligence, Misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
- iv. breach by the employees of any terms of his employment agreement or the Company's policies or other documents or directions of the Company including the reason of non-performance;
- v. participating or abetting a strike in contravention of any law for the time being in force;
- vi. Misconduct as provided under the labour laws after following the principles of natural justice;

2.5 **"Change in Control"** means a change in ownership or control of the Company effected through any of the following transactions:

- i. the acquisition by any Person, either directly or indirectly (along with its affiliates, related parties or otherwise), in a single transaction or a series of connected transactions, whether by way of purchase or acquisition of securities from another Person or allotment of securities by the Company (or any combination thereof), of Control of the Company including (but not limited to) ownership of more than 50% (Fifty per cent) of the Share capital; or
- ii. a merger, consolidation or sale/swap of Securities which results in a Change of Control.

2.6 **"Companies Act"** means the Companies Act, 2013 and the rules made thereunder and include any statutory modifications or re-enactments thereof. The Companies act also includes the erstwhile Companies Act wherever required.

2.7 **"Company"** means Reliance Infrastructure Limited, a Company incorporated under the Companies Act, having Corporate Identification Number L75100MH1929PLC001530 and its registered office at Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001 and includes its subsidiaries and holding company thereof.

2.8 **"Company Policies/ Terms of Employment"** means the Company's policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

**Explanation:** for this clause, the Company includes its Holding Company, Subsidiary Company and Associate Company to the extent Employees of the Holding Company, Subsidiary Company and Associate Company are covered.

2.9 **"Director"** means a member of the Board of the Company.

2.10 **“Employee”** means

an employee as defined in Regulation 2(1)(i) of the SEBI SBEB Regulations, as amended from time to time, which includes:

- i. an employee as designated by the Company, who is exclusively working in India or outside India; or
- ii. a Director of the Company, whether a Whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- iii. an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company;

but does not include—

- a) an employee who is a Promoter or a person belonging to the Promoter Group; or
- b) a director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% (Ten percent) of the outstanding equity shares of the Company.

An Employee shall continue to be an Employee during the period of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Holding, any Subsidiary, Associate or any successor thereof.

2.11 **“ESOS Compensation Committee” or “the Committee”** means a Nomination and Remuneration Committee constituted by the Board of Directors of the Company, from time to time under section 178 of the Companies Act 2013, which is designated by the Board of Directors to administer and supervise the Scheme.

2.12 **“ESOS 2024” or “Scheme”** means the Employee Stock Option Scheme of the Company under which it grants Option to Eligible Employees, which gives such Eligible Employee the right, but not an obligation, to purchase or subscribe at a future date the Equity Shares offered by the Company, directly or indirectly at a pre-determined price.

2.13 **“Exercise”** shall mean the act of making an application by the Employee to the Company for issue of Shares against Options vested in the Employee in pursuance of the Scheme and Letter of Grant, in accordance with the procedure laid down by the Company for Exercise of such Option.

2.14 **“Exercise Period”** shall mean the 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 Scheme.

- 2.15 **“Exercise Price”** shall mean the price communicated to the Employee at the time of granting of the Options determined in terms hereof, which price shall be payable by the Employee at the time of Exercise of Option under the Scheme.
- 2.16 **“Grant”** means the issue of Option(s) to the Eligible Employees under the Scheme.
- 2.17 **“Grant Date”** means the date fixed by the ESOS Compensation Committee, to be the date on which the benefits under the Scheme are extended to any Employee.
- 2.18 **“Group Company”** means two or more companies which, directly or indirectly, are in position to-
- i. exercise twenty-six percent, or more of the voting rights in the other company; or
  - ii. appoint more than fifty percent, of the members of the board of directors in the other company; or
  - iii. control the management or affairs of the other company.
- 2.19 **“Holding Company”** means a holding as defined under sub section (46) of section 2 of the Companies Act, 2013.
- 2.20 **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.21 **“Market Price”** means the latest available closing price on the stock exchange on which the Shares of the Company are listed, immediately prior to the relevant date.
- Explanation-** If Shares are listed on more than one stock exchange, then the closing price of the Shares on the stock exchange having higher trading volume shall be considered as the Market Price.
- 2.22 **“Misconduct”** includes an act of omission or commission by any Employee established to be a contravention of the terms of appointment of the Employee and/or a violation of code of conduct and or internal policies of the Company.
- 2.23 **“Nominee” or “Nominees”** means the spouse, any child, parent of the Employee, or any other legal heir nominated by the Employee.
- 2.24 **“Option”** means a right but not an obligation given to the Eligible Employee to purchase or subscribe in one or more tranches, at a future date, the Securities offered by the company at a pre-determined price.

- 2.25 **“Optionee / Option Grantee”** means the Employee having the right but not an obligation to exercise Options as per the provisions of the Scheme.
- 2.26 **“Permanent Incapacity” or “Permanent Incapacitation” or “Permanent Disablement”** refers to a disability suffered by the Employee that renders him/her unable to discharge his / her responsibilities as a full-time Employee.
- 2.27 **“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.
- 2.28 **“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.
- 2.29 **“Retirement”** means retirement as per the rules of the Company.
- 2.30 **“Securities”** means Securities as defined in Clause (h) of Articles 2 of the Securities Contracts (Regulation) Act 1956 and includes Shares, hybrid derivatives and units or any instruments.
- 2.31 **“Secretarial Auditor”** means a company secretary in practice appointed by the 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.
- 2.32 **“Shares” or “Equity Shares”** means Equity Shares and Securities convertible into Equity Shares and includes American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or other depository receipts, if any, representing underlying Equity Shares or Securities convertible into Equity Shares of the Company.
- 2.33 **“Subsidiary Company”** means any present or future subsidiary company of the Company, as defined in the Companies Act
- 2.34 **“Vesting”** shall mean the process by which an Employee is given the right to apply for Equity Shares in the Company against the Options granted to the Employee in pursuance of the Scheme.
- 2.35 **“Vesting Period”** means the period commencing on expiry of one year from the date of Grant date and may extend upto 4 (four) years or such other period as the Board of Directors or ESOS Compensation Committee may determine under various Scheme(s), from the Grant Date.



- 2.36 **“Unvested Option”** means an Option in respect of which the relevant conditions for Vesting have not been satisfied and as such, the Option Holder has not become eligible to exercise the Option
- 2.37 **“Vested Option”** means an Option in respect of which the conditions specified in this Scheme or separately by the ESOS Compensation Committee have been satisfied and the Option Holder has become eligible to exercise the Option
- 2.38 **“Vesting Date”** means the earliest date on which the Employee may exercise his / her right to subscribe to the Shares pertaining to the vested Option to his / her credit.
- 2.39 All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Guidelines or the Companies Act, 2013

### **3. Interpretation**

- 3.1 the clause headings are for ease of reference only and shall not be relevant to interpretation;
- 3.2 reference to a clause number is a reference to its sub-clauses;
- 3.3 words in the singular number include the plural and vice versa
- 3.4 words employed in the masculine gender shall include the feminine also.
- 3.5 a reference to a statute or statute provision is a reference to it as amended extended or re-enacted from time to time
- 3.6 Any dispute, discrepancy or disagreement which may arise under or as a result of or pursuant to or in connection with the Scheme shall be referred to the ESOS Compensation Committee and the decision / interpretation of the ESOS Compensation Committee shall be final and binding.
- 3.7 Words and expressions used and not defined here but defined in the SEBI SBEB Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.
- 3.8 If due to any reason any provision(s)/ clause(s) of the Scheme is rendered unlawful or unenforceable, then the Scheme shall be read as excluding that clause(s) / Provision(s).
- 3.9 For interpretation of the Scheme the provisions of the applicable laws and the Special Resolution read with the Explanatory Statement Approved by the Shareholders shall be taken into consideration.
- 3.10 The Scheme shall be implemented by the ESOS Compensation Committee.

#### **4. Maximum Number of Options**

- 4.1 2,60,00,000 Options exercisable into an aggregate of 2,60,00,000 Equity Shares in the Company ("**Pool of Options**" or "**ESOS Pool**"), would be available for grant to the Eligible Employees, in one or more tranches.
- 4.2 The maximum number of options to be granted to an eligible Employee will be determined by ESOS Compensation Committee on case-to-case basis and shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. The maximum number of Stock Options, in aggregate, that may be granted pursuant to this Scheme shall not exceed 2,60,00,000.
- 4.3 The new Equity Shares to be issued and allotted by the Company to the Eligible Employee under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company and the Equity shares to be allotted shall be listed on the stock exchanges where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals.
- 4.4 The Options granted/issued under this Scheme to the employees are linked to the time (years) devoted to the Company ("**Time Based Options**") and/or the performance of the employees towards the growth of the Company ("**Performance-Based Options**").
- 4.5 If an Option expires, lapses, or becomes incapable of being Exercised due to any reason whatsoever, it shall be deemed to be brought back to the Pool of Options as mentioned in paragraph 4.1 above and shall become available for future Grants, subject to compliance with all Applicable Laws. It is clarified that Options that are Exercised/Repurchased/Encashed pursuant to paragraph 8 below shall not be brought back to the Pool of Options as mentioned in paragraph 4.1 above.
- 4.6 In case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, expansion of capital, change in capital structure, and others, if any including preferential allotment of shares or qualified institutions placement, additional Stock Options of the Company are to be issued to the Employees to make a fair and reasonable adjustment to the Stock Options issued to them, the above ceiling in terms of number of equity shares shall be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).
- 4.7 In case the equity shares of the Company are either consolidated or sub-divided, then the number of Equity Shares to be issued by the Company and the price of acquisition payable by the Stock Option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 (Rupees Ten only) per equity share shall bear to the revised face value of the equity shares of the Company after such consolidation or sub-division, without affecting any other rights or

obligations of the said grantees and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

- 4.8 The ESOS Compensation Committee in each of its discretion shall decide on the quantum of Options to be granted from time to time.

## **5. Eligibility Criteria to participate in the Scheme**

- 5.1 Subject to determination or selection by the ESOS Compensation Committee, Employee(s) as defined in clause 2 (9) and Regulation 2(1)(i) of the SEBI SBEB Regulations as amended from time to time, shall be eligible to participate and be beneficiaries in the Scheme. The Employees to whom the Stock Options would be granted and their eligibility criteria (including but not limited to loyalty, performance, merit, grade, conduct, and length of service of the Employee) would be determined by the ESOS Compensation Committee, in its absolute discretion from time to time.

The above persons are referred to herein collectively as the “**Employees**” or “**Eligible Employees**”

- 5.2 An Employee who is a promoter or belongs to the promoter group or a Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding Equity Shares of the Company at the time of granting of Option shall not be eligible to participate in the Scheme.
- 5.3 Subject to the applicable law, all present and future directors, except the independent directors, of the company and of the present and future subsidiary and Associate Company(ies), are eligible to participate in this Scheme.

## **6. ESOS Implementation & Administration**

- 6.1 The Nomination & Remuneration Committee, as constituted by the Board of Directors under Regulation 19 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Section 178 of the Companies Act, shall be designated as the ESOS Compensation Committee inter-alia will be responsible for the effective implementation and monitoring of this Scheme. The Board of Directors has the power to change the composition of the ESOS Compensation Committee from time to time, whenever required.
- 6.2 Subject to Applicable laws, the Board or ESOS Compensation Committee, in its absolute discretion has the right to modify/amend/revoke/alter the Scheme in such manner and at such time or times as it may deem fit or to meet regulatory requirements. Provided however that any such modification/amendment shall not be detrimental to the interest of the Employee to whom an Option has been Granted.

- 6.3 In the event of any clarifications being required on the interpretation or application of the Scheme, the same shall be referred to the ESOS Compensation Committee. The decision of the ESOS Compensation Committee shall be final and binding in this regard. The ESOS Compensation Committee has also reserved the right to vary the Scheme as and when required, subject to the Guidelines, as amended from time to time.
- 6.4 No members of the ESOS Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme.
- 6.5 The Board/Committee shall have the power, subject to, and within the limitations of, the express provisions of this Scheme:
- a) the quantum of Options to be Granted under the Scheme per Eligible Employee and in aggregate.
  - b) the Eligibility Criteria for Eligible Employees and the determination and evaluation of whether an Employee is an Eligible Employee.
  - c) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of Corporate Actions as specified in Applicable Laws such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration:
    - the number and Exercise Price of Options shall be adjusted in a manner such that total value of the Options in the hands of the Option Grantee remains the same after such Corporate Action; and
    - the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantees.
  - d) the procedure and terms for the Grant, Vesting, and Exercise of Employee Stock Options.
  - e) the grant, vesting and exercise of Options in case of Employees who are on long leave;
  - f) approve forms, writings, and/or agreements for use in pursuance of the Scheme.
  - g) recommend modification/cancellation of the terms of Options.
  - h) the procedure for buy-back of Options or specified securities issued under these regulations, if to be undertaken at any time by the company, in terms of the applicable laws, including:
    - (i) permissible sources of financing for 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 specified securities that the Company may buy-back in a financial year.
  - i) construe and interpret the terms of the Scheme and Options Granted pursuant to the Scheme.
  - j) the specified time period within which the Employee shall Exercise the Options Vested in him/her in the event of his/her termination (including for Misconduct) or resignation.
  - k) take all decisions for or in connection with the administration of the Scheme.

The Board/ ESOS Compensation Committee may, from time to time, employ an entity or an individual unrelated to the Company to assist with administration, record-keeping, and other ministerial duties in connection with this Scheme.

## **7. The Process and Grant of Options**

- 7.1 The Company has a formal performance appraisal system established wherein the performance of the Employees is assessed each year based on various functional and managerial parameters.
- 7.2 Subject to the provisions contained herein, the Employees will be granted Options based on one or more eligibility criteria and performance-linked parameters including role/designation of the employee, length of service with the Company, performance with the Company, past performance or future potential of the employee, requirements of applicable law and/or such other criteria that ESOS Compensation Committee at its sole discretion, which would be final and binding.
- 7.3 The ESOS Compensation Committee may also extend the benefits of the Scheme to a new entrant or any existing Employee on such other basis as it may, in its absolute discretion, deem fit.
- 7.4 Each Grant of Option under the Scheme shall be made in writing by the Company to the eligible Employees in the form of a Grant Letter or such other form as may be approved by the ESOS Compensation Committee from time to time.
- 7.5 Grant of Options shall be evidenced by submission of the Acceptance Form along with such enclosures, as the ESOS Compensation Committee shall determine from time to time. Such Acceptance Form shall be deemed to incorporate all the terms of the Scheme as if the same were set out therein. In the event of inconsistency between the Acceptance Form and the Scheme, the Scheme shall prevail. No amount would be payable by an Option Grantee at the time of grant or vesting of Options.

## **8. Vesting**

- 8.1 The Stock Options granted to any Employee shall vest within the Vesting Period in the manner as set forth in the Grant letter subject to maximum period of 4 years from the date of grant. There shall be a minimum period of one year between the Grant of Stock Options and Vesting of Stock Options. All the Stock Options granted on any date shall vest not later than 4 years from the date of grant of Stock Options.

Provided that in case where options are granted by a company under the Scheme in lieu of options held by an employee under a Scheme in another company which

has merged, demerged, arranged or amalgamated with the first mentioned company, the period during which the options granted by the transferor company were held by such employee shall be adjusted against the minimum vesting period required under SEBI SBEB Regulations:

Provided further that in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of SEBI SBEB Regulations, on the date of the death or permanent incapacity.

**8.2 Scheme shall be subject to the following conditions:**

- (a) The Minimum Vesting Period of the Options shall be one year from the Grant Date and may extend up to maximum of 4 years from the date of grant.
- (b) The date of vesting may be decided by the ESOS Compensation Committee within the above timeline.
- (c) The Grant and Vesting shall happen as per the Eligibility Criteria and Vesting Schedule and shall be linked to Business and Individual performance.
- (d) The Company shall from time to time in consultation with the ESOS Compensation Committee, nominate grantees and confer upon them a grant in accordance with the respective plan.
- (e) Vesting of Options would be subject to continued employment with the Company, Subsidiary Company(ies), Holding Company of the Company or its Associate Company as the case may be. In addition to this, the ESOS Compensation Committee, at its discretion, may also specify certain performance criteria such as individual performance, business group performance and overall Company's performance, subject to satisfaction of which the Options would Vest. A Option Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith.

**8.3 As a prerequisite for a valid Vesting, Option Grantee must not 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. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment/ service, the provisions of serial number 2 in the table given in Sub-clause 9.2 of the Scheme shall apply.**

**9. Exercise**

**9.1 Exercise Price:**

The Exercise Price of any Option granted under the Scheme shall, subject to applicable law, be the price for Exercise of Options as determined by ESOS Compensation Committee which shall not be less than the face value of the equity shares and not more than the closing Market Price as on the previous day

of the date of Grant communicated to the Participating Employee or such other mode as ESOS Compensation Committee may deem fit. Once granted, the Exercise Price of the Options may be varied by ESOS Compensation Committee to account for any rights issues, mergers, stock splits, bonus issue or share consolidations etc.

## **9.2 Exercise Period and Method of Exercise**

### **(a) Exercise while in employment:**

The Exercise Period shall commence from the date of vesting and shall not be longer than 4 years.

The exercise period would commence from the date of vesting i.e. after a minimum period of one year from the Grant of Options and will expire on completion of maximum exercise period of 4 years from the date of vesting or such lesser period as may be decided by ESOS Compensation Committee at its sole discretion from time to time and mentioned in the Grant Letter of the Grantee. The Stock Options will be exercised by the Employees by submitting an Exercise Letter as prescribed by ESOS Compensation Committee.

### **(b) Exercise in case of separation from employment:**

The Following provisions shall apply in case of discontinuation of service of an employee:

<b>S. No.</b>	<b>Events of separation</b>	<b>Vested Options</b>	<b>Unvested Options</b>
1	Resignation/ Termination (Other than due to Cause or due to breach of Company Policies/ Terms of Employment)	All the Vested Options as on the date of submission of resignation/termination shall be exercisable by the Option Grantee by last working day.	All the Unvested Options as on date of submission of resignation/termination shall stand cancelled with effect from date of such resignation / termination.
2	Termination due to Cause or due to breach of Company Policies/ Terms of Employment	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

S. No.	Events of separation	Vested Options	Unvested Options
3	Retirement	All the Vested Options as on the date of Retirement can be exercisable by the Option Grantee within a period of 1 (One) year from the date of Retirement.	<p>All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original Vesting schedule even after the Retirement unless otherwise determined by the ESOS Compensation Committee in accordance with the Company's policies and provisions of the then prevailing Applicable Law.</p> <p>Such Vested Options are exercisable in the manner specified for Vested Options.</p>
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 2 (Two) years from the date of Death of the Option Grantee.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than 1 (One) year from the date of such Permanent Incapacity.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee and can be exercised in the manner defined for Vested Options.



S. No.	Events of separation	Vested Options	Unvested Options
6	Options granted to an Eligible Employee who avails of long leave as per the policies of the Company/Subsidiary Company / Holding Company / Associate Company	The Vested Options can be Exercised within the period as may be determined by the ESOS Compensation Committee.	The treatment of all the Unvested Options and Exercise thereof shall be as may determined by the ESOS Compensation Committee.
7	Transfer / deputation from / to the Company, Subsidiary company, Holding company, Associate company or Group company	Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of Vested Options shall be as per applicable circumstance mentioned in this table.	Vesting schedule and Exercise Period to remain same as per the terms of the Grant. In case of subsequent separation, treatment of Unvested Options shall be as per applicable circumstance mentioned in this table.
8	Termination due to reasons apart from those mentioned above	The ESOS Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

9.3 On the Vesting of Options, an Employee will have a right but not an obligation, to apply for Equity Shares of the Company on the following terms and conditions:

- i. An Employee can exercise the right by making an application in writing, in the prescribed format, together with remittance of equivalent of price of Option corresponding to the right exercised, from the bank account of the person who is exercising the options, to the ESOS Compensation Committee or any person authorised by the Committee or Board on this behalf.
- ii. In case where the entitlement for subscribe results in a fraction, the fraction shall be rounded off to the next higher number.
- iii. An Employee who wishes to exercise the right shall do so within the Exercise Period.

- iv. If an Employee does not exercise the right Vested within the Exercise Period as stated above, the same shall lapse. The Employee shall have no right over such lapsed or cancelled Options.
- v. The price for the Shares payable by an Employee shall be the Exercise Price of the Shares as determined under the Scheme(s).
- vi. Any right of Option exercised without accompanying corresponding remittance as stated above, will be treated as invalid and lead to lapse of Options.

- 9.4 An Employee can exercise the vested options in one or more tranches, however, all the vested options shall be exercised within maximum exercised period allowed under the Scheme

#### **10. Re-pricing of the un-exercised Options**

The ESOS Compensation Committee may re-price the Options, which are not exercised whether or not they have been vested if the Options were rendered unattractive due to fall in the price of the shares in the market, provided that the ESOS Compensation Committee shall ensure that such re-pricing shall not be detrimental to the interest of Employees and shall be subject to approvals as may be required.

#### **11. Lock in Period**

The Equity Shares allotted upon the exercise of Stock Options under the Scheme is not subject to any lock in period.

**Provided that** the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

#### **12. Non - Transferability of Options**

- 12.1 Options granted to an Employee shall not be transferable to any person.
- 12.2 The Options granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. The Breach of this condition will result in the lapse of all Options, whether Vested in the Optionee or otherwise.
- 12.3 No person other than the Employee to whom the Option is granted shall be entitled to exercise the Option, except the events mentioned in the table under serial number 4 and 5 of sub-clause 9.2(b).

**13. Appropriation of unvested and unexercised Options**

The ESOS Compensation Committee shall have full powers to reissue and/or appropriate the unvested and or unexercised Options and decide the price not less than par value, Vesting Period and Exercise Period at its entire discretion.

**14. Risks Factors**

- 14.1 Participation in this Scheme shall not be construed as any guarantee of return on the equity investment.
- 14.2 Investment in equity and equity related Securities involve a degree of risk and Employees should not invest any funds in Exercise of Options unless they can afford to take the risk of losing their investment. For taking a decision to exercise the Options, the Employees must rely on their own examination of the Company including the risks involved.
- 14.3 In addition, Employee stock 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 Option as an Option amounts to a levered position in the share.
  - (c) Liquidity: The Options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their Options 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.
- 14.4 The Optionee shall not have any right available to the shareholders of the Company i.e. right to vote, right to dividend etc, until the exercise of the Options and his becoming Shareholder of the Company.

**15. Accounting Policy and Disclosures**

- 15.1. The Company shall follow the laws /regulations applicable to accounting and disclosure related to the Employee Stock Options and Accounting Standard IND AS 102 on Share based payments and / or any relevant accounting standards as may be prescribed under section 133 of the companies Act and / or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time, including the disclosure

requirement prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.

- 15.2. The Company shall make disclosures to the prospective Grantees containing statement of risks, information about the Company and salient features of ESOS 2024 in a format as prescribed under SEBI SBEB Regulations.
- 15.3. The Company shall disclose details of Grant, Vest, Exercise and lapse of the Options in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB Regulations or any other Applicable Laws as in force.

## **16. Variation of Terms of the Scheme**

- 16.1. Subject to the provisions of the applicable laws, ESOS Compensation Committee shall have the right to alter, vary modify or amend all or any terms of the Scheme at any time without any prior intimation to the Employees within the authorisation granted by the Shareholders by way of special resolution approved by the Shareholders, provided that such amendment shall not be prejudicial to the interests of the Employee.
- 16.2. The Company may by special resolution in a general meeting of the Shareholders vary the terms of the Scheme offered pursuant to an earlier resolution of a general body in respect of Options not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees.
- 16.3. The notice for passing special resolution for variation of terms of the Scheme shall disclose full details or provide for the disclosure of full details, of the variation, the rationale therefore and the details of the Employees who are beneficiaries of the variation.

## **17. Exit route in case of de-listing**

If the Company gets de-listed from all the recognized Stock Exchanges, then the Committee as authorized by the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

## **18. Allotment of Shares**

The ESOS Compensation Committee may, unless it decides otherwise, make allotment of Shares against exercise of the Options at a frequency as defined by the ESOS Compensation Committee, in respect of all the Options exercised before that date.

**19. Tax Liability**

- 19.1. The liability of paying taxes, if any, in respect of the Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on the Option Grantee and shall be in accordance with provisions of the Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to the eligible employees of the Company.
- 19.2. 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 tax shall be recovered fully or before full and final settlement.

**20. Funding the exercise of options/shares**

Not applicable as the Scheme is not implemented through Trust.

**21. Ranking of Equity Shares**

The Equity Shares issued to the Employee under the ESOS 2024 after Exercise shall rank pari-passu with the existing Equity Shares of the Company in all respects, including dividend.

**22. Documentation**

The Employee shall enter into such agreement/documents, as the ESOS Compensation Committee may desire from time to time to effectively implement this Scheme.

**23. Contract of Employment**

- 23.1. Scheme shall not form part of any contract of employment between the Company and Employee and no rights and obligations of any individual under the terms of his office or employment with the Company shall be affected by his participation in the Scheme. The Scheme shall not confer any legal or equitable rights against the Company or ESOS Compensation Committee directly or indirectly and no cause of action shall arise in law.
- 23.2. Nothing in the Scheme shall be construed as affording such an Employee any additional rights as to compensation or damages in consequence of the termination or employment for any reason.
- 23.3. Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any other new Scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or

not such other action would have any adverse impact on the Scheme or any grant made under the Scheme. No Employee or other person shall have any claim against the Company and/or trust as a result of such an action.

**24. Nomination**

The Employee shall have right to appoint Nominee(s) for the benefits under the Scheme. The nomination so filed with the Company shall come into force only in the event of Death or Permanent Disability of the Employee. In case the nomination is made in the name of a minor, the name and address of Guardian, (who shall be other than the Employee) shall also be mentioned in the nomination form. In the event the guardian of the minor is not available / become incompetent, a court appointed guardian, or other guardian will be entitled to act on behalf of minor. The Nominee shall be bound by the decision of the ESOS Compensation Committee in respect of the Vested Options, though not Exercised due to lien or terms contained in the respective Scheme(s).

**25. Certificate from Secretarial Auditor**

As the equity shares of the Company are listed on Recognised Stock Exchange, the Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditor of the Company that the ESOS 2024 has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company passed in the general meeting where ESOS 2024 has been approved.

**26. Notice (Communication)**

All notices of communication required to be given by the Company to an Eligible Employee by virtue of this ESOS 2024 shall be in writing. This communication shall be made by the company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Eligible Employee available in the records of the Company; or
- ii. Delivering the communication(s) to the Eligible Employee in person with acknowledgement of receipt thereof; or
- iii. Emailing the communication(s) to the Eligible Employee at the official email address provided, if any, by the Company to the prospective /existing Eligible Employee during the continuance of employment or at the email address provided by the Eligible Employee after cessation of employment.

Any communication to be given by an Eligible Employee to the Company in respect of this ESOS 2024 shall be sent to the address mentioned below  
Registered Office: Reliance Centre, Ground Floor 19, Walchand Hirachand Marg, Ballard Estate, Mumbai, Maharashtra, 400001.

**27. Signatory of ESOS Grant Letter**

Authorised Company Executive as nominated by ESOS Compensation Committee.

**28. Governing Law and Jurisdiction**

- 28.1. This ESOS 2024 shall be governed by and construed in accordance with the Applicable Laws of India.
- 28.2. If any dispute, difference, claim or question shall at any time arise between the Company and the Eligible Employees on any of the provisions of This ESOS 2024 or matter herein contained or their respective rights, claims or liabilities hereunder in relation to or arising out of or concerning this ESOS 2024, such dispute, difference, claim or question shall be referred to arbitration. The Company shall appoint a sole arbitrator at its sole discretion and the same shall be binding on the Company and the Eligible Employee(s). The Company shall notify the Eligible Employee(s) of such appointment in accordance with law.
- 28.3. Such arbitration shall be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof. The venue of arbitration shall be Mumbai, and the proceedings shall be in the English language. The decision of the sole arbitrator shall be final and binding.
- 28.4. This ESOS 2024 is subject to the exclusive jurisdiction of the Bombay High Court, Maharashtra, India.

**29. Listing of the Shares**

- 29.1. The Company shall not grant Options under ESOS 2024 unless it obtains in-principle approval from the stock exchanges where it is listed.
- 29.2. 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.

**30. Severability**

In the event any one or more of the provisions contained in this ESOS 2024 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOS 2024, but this ESOS 2024 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESOS 2024 shall be carried out as nearly as possible according to its original terms and intent

**31. Confidentiality**

Employees must keep the details of this Scheme and the Options Granted to them strictly confidential and must not disclose the details to any other person. In case of non-adherence to the provisions of this Clause, the ESOS Compensation Committee will have the authority to deal with such cases as it may deem fit. On acceptance of the grant of Option offered by the company, it shall be deemed that as if the Eligible Employee has authorized the Company to disclose information relating to the Eligible Employee during the process of implementation of the scheme 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.