

**Vedant Fashions Limited (VFL)**  
**VFL Employee Stock Option Plan 2018**

**VEDANT FASHIONS LIMITED**  
**VFL EMPLOYEE STOCK OPTION PLAN 2018**

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## **1 Name of the Plan**

This Plan shall be termed as VFL Employee Stock Option Plan 2018 ("Plan or ESOP 2018"). The Plan has been approved by a special resolution passed on 03 September 2018 at the Extra Ordinary General Meeting of the Company, which was further amended pursuant to a special resolution dated 04 September 2021. The Plan shall be effective from 03 September 2018 herein after referred to as the "Effective Date".

The approval of shareholders by way of separate resolution passed on 03 September 2018 has been obtained by the Company in order to grant Options to Employees (as defined hereunder) as selected by the Board/Committee.

This document sets out the terms and conditions of the Plan.

## **2 Purpose of the Plan**

Vedant Fashions Limited ("Company" or "VFL"), a company incorporated under the Companies Act, 1956/ Companies Act, 2013 and having its registered office at A501-A502, SDF-1, 4<sup>th</sup> Floor, Paridhan Garment Park, 19 Canal South Road, Kolkata-700 015, has structured this Plan for its Employees (as defined hereunder) and employees of its Subsidiary Companies and the employees of its Holding Company.

The objectives of this Plan are as under:

- a) Align Employee interests with shareholders interest
- b) Driving performance of the Employees
- c) Retention of Employees
- d) Attract new talent
- e) Wealth creation for the Employee

Further, the Plan will be implemented, for and on behalf of and at the request of the Subsidiary Companies and the Holding Company (as defined under the Companies Act, 1956/ Companies Act, 2013) of VFL, for the employees of the Subsidiary Companies and the Holding Company of VFL.

These objectives / purpose is sought to be achieved through the Grant of Options to Employees and employees of its Subsidiary Companies and Holding Company.

## **3 Definitions**

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- 3.1 "Abandonment" means discontinuation of employment by an Employee without giving notice or without serving the notice period to its employing entity;
- 3.2 "Acceptance Form" shall mean the form that the Eligible Employee is required 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 within the prescribed time limit specified in the respective Scheme(s);
- 3.3 "Applicable Laws" shall mean laws of India to the extent applicable and as amended, modified and substituted 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;
- 3.4 "Beneficiary" or "Nominee" means the person or persons, trust or trusts designated by the Participant in the prescribed form viz., Nomination Form and submitted to the Company, or in the absence of any designation by the Participant, a person or persons who is/are entitled by the will of the Participant to receive the benefits specified in the Plan, the legal heirs of the Participant (provided such legal heirs of such Option Eligible Employee produces before the Board all such documents as may be required by the Company to prove the succession to the assets of the deceased Option Eligible Employee), if the Participant dies intestate;
- 3.5 "Board" means the Board of Directors of the Company;

- 3.6 "Cause" means;
- (a) the Employee engaging in willful, reckless or grossly negligent misconduct which is determined by the Board/Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or
  - (b) the Employee's conviction for a crime, which sentences the Employee to imprisonment for any term; or
  - (c) fraud, moral turpitude, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or
  - (d) Abandonment of office by Employee;
  - (e) the Employee, whilst still being in employment with the employing entity (viz., Company/Subsidiary/Holding Company of the Company) engaging, directly or indirectly, either individually or in partnership with, as part of a joint venture with, or as a shareholder or officer or employee or consultant or otherwise in conjunction in any other manner with any Person.
- 3.7 "Closing Date" means the last date on which the offer of Options by the Company to an Eligible Employee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day;
- 3.8 "Company" shall mean Vedant Fashions Limited, a company incorporated and registered under the Companies Act, 1956;
- 3.9 "Committee or Nomination and Remuneration Committee" shall mean the committee as constituted by the Board for administration and superintendence of the schemes comprising of directors until the initial public offering (IPO) and thereafter it shall comprise of such members as are required under Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 3.10 "Corporate Action" shall include the following:
- (a) bonus issue;
  - (b) reorganisation of the Shares;
  - (c) split of shares;
  - (d) Other reorganization of the Company in which the Shares are converted into or exchanged for: (i) a different class of securities of the Company, or (ii) any securities of any other issuer, or; (iii) cash, or (iv) other property;
  - (e) Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;
  - (f) Bankruptcy proceedings against the Company;
  - (g) Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
  - (h) any other event as identified by the Board as 'Corporate Action' for the purposes of this clause;
- 3.11 "Director" means a director appointed to the Board of a Company;
- 3.12 "Eligible Employee" for the purpose of this Plan means the identified Employee(s) as per Clause 5 below;
- 3.13 "Employee" means
- a) an employee as designated by the company, who is exclusively working in India or outside India; or
  - b) 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
  - c) 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 VFL,
- but does not include-
- (i) an employee who is a promoter or a person belonging to the promoter group; or

- (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;
- 3.14 “Exercise” means making of an application by the Participant/ Beneficiary to the Company for issue of Shares, against Vested Options in pursuance of the Plan and Notified Scheme(s) on payment of Exercise Price;
- 3.15 “Exercise Date” means the date on which the Participant/ Beneficiary exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Participant/ Beneficiary exercises part of his Vested Options;
- 3.16 “Exercise Period” means the time period after Vesting within which the Participant/Beneficiary should Exercise his right to apply for Shares against the Vested Option in pursuance of the Plan and Notified Scheme(s);
- 3.17 “Exercise Price” means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Plan and Notified Scheme(s);
- 3.18 “General Meeting” means a General Meeting (including an Extraordinary General Meeting) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws;
- 3.19 “Grant” means the process by which the Board/Committee/ Trust issues Options under any of the Notified Schemes of the Plan;
- 3.20 “Grant Date” means the date on which the Options are approved and granted to the Participant by the Board/ Committee/ Trust under the relevant Notified Scheme of the Plan;
- 3.21 “Grant Letter” means the letter by which Grant of an Option is communicated to the Eligible Employee;
- 3.22 “Group” means two or more companies which, directly or indirectly, are in a position to
- a. exercise twenty-six per cent or more of the voting rights in the other company; or
  - b. appoint more than fifty per cent of the members of the board of directors in the other company; or
  - c. control the management or affairs of the other company;
- 3.23 “Holding Company” shall have the meaning as defined under the Companies Act, 2013;
- 3.24 “Independent Director” shall have the meaning as defined under the SEBI Regulations;
- 3.25 “Investor” means Rhine Holdings Limited, Kedaara Capital Alternative Investment Fund and any other party as determined by the Board;
- 3.26 “Liquidity Event” means
- (a) listing of Shares on recognized stock exchanges in India;
  - (b) Strategic sale by the Investors/Promoters of all of the Equity Shares of the Company held by the Investors to a third party;
  - (c) Any event as determined by the Board/ Committee and the Investor;
- 3.27 “Long Leave” means 30 days or more of continuous leave availed by the Participant but not approved by the Company and such leave being over and above his minimum leave entitlement as per the Company’s policies and/or terms of employment.
- 3.28 “Option” means the Option given to an Employee which gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price;
- 3.29 “Participant” means the Eligible Employee who accepts the Grant from the Board/Committee/ Trust to participate in this Plan pursuant to Clause 9 below;
- 3.30 “Permanent Disability” means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board;
- 3.31 “Plan” shall mean the VFL Employee Stock Option Plan 2018 under which the Company shall implement Schemes

under which Options shall be granted to the Eligible Employees in accordance with the provisions of the Plan and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;

- 3.32 "Promoter" means promoter as defined under Companies Act until the initial public offering and thereafter it shall include promoter as defined under the SEBI Regulations;
- 3.33 "Promoter Group" means promoter group as defined under the SEBI Regulations;
- 3.34 "Relative" means relative defined under the Companies Act 2013;
- 3.35 "Retirement" means retirement as per the rules of the Company;
- 3.36 "SEBI Regulations" refers to Securities and Exchange Board of India (Share-based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India ('SEBI') under the SEBI Act, 1992 as amended from time to time;
- 3.37 "Schemes or Notified Scheme" means a scheme(s) of the Company including any amendments thereof notified as per Clause 4 below proposing to provide share based benefits to its Employees, which may be implemented and administered directly or indirectly by such Company, or through a Trust in accordance with the Plan;
- 3.38 "Share" means an equity share of the Company of face value of Rs 2 each;
- 3.39 "Shareholder" means the registered holder of a Share in the share capital of the Company;
- 3.40 "Subsidiary Company" shall have the meaning as defined under the Companies Act, 2013;
- 3.41 "Termination Date" means the date of resignation from employment by the Participant/ Eligible Employee with the employing entity (viz., the Company, Subsidiary and/or Holding Company);
- 3.42 "Trust" means a trust under the provisions of Indian Trusts Act, 1882, including any statutory modification or re-enactment thereof, for implementing any of the notified schemes covered by the Plan;
- 3.43 "Trustee" means trustee of the Trust;
- 3.44 "Unvested Option" means an Option, which is not a Vested Option but does not include Options which are unexercised on the expiration of the Vesting Period, or have been forfeited or have lapsed or been cancelled;
- 3.45 "Vested Option" means an Option, which has Vested in pursuance of Clause 10 below with the Participant/ Beneficiary and has thereby become exercisable;
- 3.46 "Vesting" means the process by which the Participant/ Beneficiary is entitled to apply for Shares against the Option granted to him in pursuance of Clause 8 below;
- 3.47 "Vesting Date" means the respective dates on and from which the Option Vests with the Participant/ Beneficiary and thereby becomes exercisable under the Notified Scheme(s);
- 3.48 "Vesting Period" means the period during which the vesting of Option granted under any of the Scheme(s) takes place;
- 3.49 Construction and Interpretation
- a) Clause reference is to the clauses of this Plan.
  - b) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
  - c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
  - d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.

- e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
- g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

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

- 4.1 The Board/ Committee shall notify the Schemes under this Plan, subject to special resolution passed at a General Meeting of the Company for approving such Scheme.
- 4.2 The Board/Committee may subject to a special resolution passed at Extra ordinary General Meeting at any time and from time to time, add, amend or alter any Scheme(s) notified under the Plan. The Board/Committee may at any time revoke and/or terminate any Scheme notified under the Plan.

#### **5 Eligibility**

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

#### **6 Administration of this Plan**

- 6.1 This Plan and the Notified Schemes shall be administered by the Board/ 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 to the Trust, or to one or more officers of the Company and/ or to one or more sub-committees. The Board/ Committee is authorized to interpret the Plan and notify Schemes, 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 Board/ Committee may correct any defect, omission or reconcile any inconsistency in the Plan or any Notified Scheme(s) in the manner and to the extent the Board/ Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan or any Notified Scheme(s) and take any action which the Board is entitled to take. The acts of a majority of the members of the Board/ Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Board/ Committee shall be the acts of the Board/ Committee for the purpose of the Plan/Scheme(s). No member of the Board/ Committee may act upon matters under the Plan/Scheme(s) specifically relating to such member. Any amendment to the Notified Schemes or Plan shall also require Investor's approval.
- 6.2 Any decision of the Board/ Committee in the interpretation and administration of this Plan, 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, Employee, Participant/ Nominee and their Beneficiaries and successors). The Company/ the Board/ the Committee/ Trustees shall not be liable for any action or determination made in good faith with respect to the Plan/ Scheme(s) or any Option granted thereunder.
- 6.3 The Board/ Committee shall, *inter alia*, formula and conditions of the Plan and Schemes which shall include the provisions to the extent it is not in violation of the Companies Act 2013 and Applicable Laws.
- 6.4 The Board/ Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices

Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its Employees, as applicable.

- 6.5 The Company may implement several Schemes directly or through a Trust(s) as permitted under the SEBI Regulations.

## **7 Share Pool**

- 7.1 Subject to Clause 19 below, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Plan shall not exceed 24,24,323 Shares (which is 1% of the fully diluted shareholding of the Company). The Company reserves the right to increase or reduce such number of Shares as it deems fit with approval from the Board, Promoters and Investors.
- 7.2 Notwithstanding the foregoing provisions of Clause 7.1, Shares with respect to which an Option is granted under the Plan or any of the Notified Scheme(s) that remain unexercised at the expiration, or are not entitled for vesting or forfeited or lapsed or cancelled shall be added back to the number of Options that are pending to be granted. The Company may, at their discretion Grant such Options within the overall limit determined in accordance with the Notified Scheme(s) under the Plan.

## **8 Grant of Options**

- 8.1 Subject to clause 5.1 above and clause 8.3 below, the Committee/ Board may offer the Options to an Eligible Employee in accordance with the terms and conditions of the Notified Scheme(s) under the Plan for the time being in force. The Board/ Committee will decide the number of Options to be granted to each Eligible Employee.
- 8.2 During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.
- 8.3 Subject to the overall limit prescribed in Clause 7.1 above, the Options may be granted in one or more tranches.
- 8.4 Subject to Clause 19, each Option will entitle the Participant to one Share of the Company.
- 8.5 The Grant of the Options by the Board/ Committee to the Eligible Employee shall be made in writing and communicated to the Eligible Employee by a Grant Letter. Such a Grant shall state the number of Options Granted, the Exercise Price and the Closing Date of accepting the Grant as per the Notified Scheme(s).
- 8.6 The Closing Date of accepting the offer shall be as specified in the relevant Notified Scheme. Unless provided otherwise in the respective schemes, the Closing Date shall not be more than 30 days from the Grant Date.
- 8.7 An offer made under this Clause is personal to the Eligible Employee and cannot be transferred in any manner whatsoever.

## **9 Method of acceptance**

- 9.1 The method of acceptance of the Grant made pursuant to Clause 8 above and under the Notified Scheme, shall be determined in accordance with the Notified Schemes under the Plan.
- 9.2 Upon receipt of a duly completed Acceptance Form from the Eligible Employee in respect of the Grant, the Eligible Employee will become a Participant. The Board/ Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which, the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Grant.
- 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 Eligible Employee, shall conclude a contract between the Eligible Employee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option. Further, upon acceptance of the Grant, Eligible Employee shall become a Participant.
- 9.4 The Grant of Options to any Eligible Employee, who fails to return the Acceptance Form, or the Acceptance Form is received by the Company/ Board/ Committee/ Trust after the Closing Date, the Options granted to such Eligible



Employee shall not be valid and the Options granted will stand cancelled unless the Board/ Committee determines otherwise.

## **10 Vesting of Options**

- 10.1 Subject to Clause 10.4 and Clause 13 below, the Unvested Options shall vest with the Participant in accordance with the Notified Scheme(s) under the Plan. The Board/Committee with Investor's approval may accelerate the vesting of Options under certain circumstances as it deems fit, at its sole and absolute discretion, but in no event earlier than one year from the date of Grant. Provided further that in the event of Death or Permanent Disability of a Participant, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of Clause 13.1 below.
- 10.2 Upon vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Notified Scheme(s) under the Plan.
- 10.3 Notwithstanding anything mentioned in the Scheme(s) under the Plan, Options 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 surviving any rights/ liabilities for any party in respect of such options.
- 10.4 Subject to the Companies (Share Capital and Debentures) Rules, 2014 as applicable and any other Applicable Laws, and unless Board/ Committee decides otherwise, no Options shall vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, 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. Decision of the Board/ Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Nominee of the Participant.
- 10.5 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant, shall be entitled to claim or receive any dividend and right to vote in respect of the Options granted/ vested, till such time as the Shares are transferred pursuant to a valid Exercise of the Options in favor of such Participant or such person.
- 10.6 In case any disciplinary action is initiated against an Employee, Eligible Employee, Participant or any legal proceedings are filed against an Employee, Eligible Employee, Participant for any reason including but not limited to negligence, fraud, professional misconduct, moral turpitude, sexual harassment etc., the Board/ Committee shall have the right to postpone the vesting and Exercise of Options granted to the Participant until the final outcome of such legal proceedings.

If the result of such proceedings is not in favour of such Employee/ Eligible Employee/ Beneficiary, all Options (Vested as well as Unvested) shall stand automatically forfeited / cancelled and the contract referred to in Clause 9.3 above shall stand automatically terminated (unless the Board/ Committee decides otherwise) and subject to Clauses 21, 23 and 29, which will survive after termination, no other rights/ liabilities will survive for any party. The Board/ Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

However, if the result is in favour of such Employee/ Eligible Employee/ Beneficiary, the Employee/ Eligible Employee/ Beneficiary shall regain the right to exercise all the Vested Options and the Board/ Committee may at their discretion decide to accelerate Unvested Options of such Employee/ Eligible Employee/ Beneficiary.

## **11 Exercise Price**

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

## 12 Exercise of Options/ Allotment of Shares

- 12.1 Subject to the relevant Notified Scheme(s) and Clause 13.1, the Participant alone can Exercise the Vested Options within the Exercise Period as per the relevant Scheme(s). Subject to Clause 12.3 and Clause 12.10 below, such Exercise may be of all Vested Options or part of the Vested Options.
- 12.2 The Committee / Board can decide the procedure for the exercise of Options and Allotment of Shares.
- 12.3 No Vested Option shall be exercisable in its fractional form.
- 12.4 Exercise of the Vested Options shall take place at the time and place designated by the Committee / Board/ Trust and by executing such documents as may be required under the Applicable Laws or by the Committee/ Board and require execution of such documents and/or agreements for the giving effect to the provisions of this Plan specifically Clauses 15 and 18.
- 12.5 A Vested Option shall be deemed to be validly exercised only when the Committee/Board/ Trust or any other person ratified by the Company receives written and signed notice of Exercise ('Exercise Form') from the Participant/ Beneficiary and, subject to Clause 11 above, the full payment of the Exercise Price, taxes (wherever arising) and any other sums due referred to in Clause 20 to the Company as per the Plan in respect of Exercise of the Option ('Aggregate Exercise Price').
- 12.6 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
- i) Cheque or demand draft issued in the name of the Company as the Board/Committee/Trust may specify; or
  - ii) Remittance directly from the Participant's bank to the bank account of the Company (wire transfer) as the Board/ Committee may specify; or
  - iii) Any combination of such methods of payment or any other method acceptable to the Board/ Committee/ Trust at its sole discretion.
- 12.7 At the time of allotment/ transfer of Shares pursuant to a valid Exercise, the Participant/ Nominee will be required to sign such documents as may be considered necessary by the Board/ Committee to lawfully execute/ enforce various provisions of the Plan.
- 12.8 The Committee/ Board/ Trust shall endeavor to ensure that the process of allotment/ transfer of Shares to the Participant who has validly exercised his Vested Options is completed within a reasonable period of time from the time of receiving the Exercise Form by the Board/ Committee.
- 12.9 Notwithstanding anything else contained in the Notified Scheme(s) under the Plan and, if the Participant/ Nominee does not Exercise his Vested Options within the Exercise Period, the Options 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 surviving any right/ liability for any party.
- 12.10 Subject to the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Regulations, and unless the Board/ Committee decides otherwise, no Participant shall be entitled to make an Exercise, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, 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. Decision of the Board/ Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Nominee of the Participant.
- 12.11 Only upon allotment/ transfer of the Shares, the Participants/ Nominees shall become members of the Company. Subject to Clause 15 below, the Shares to be allotted/ transferred shall rank *pari-passu* in all respects with the outstanding Shares of the Company.
- 12.12 Under the Plan, the Company will issue/transfer fresh equity shares/shares or transfer existing shares held by the Trust,

as and when the Vested Options are exercised by the Option Eligible Employees.

### **13 Termination of Employment**

#### **13.1 On Death or Permanent Disability of a Participant**

If the Termination of employment of a Participant is due to death or Permanent Disability then, subject to the relevant Notified Scheme(s), all the Options granted to him till such date shall Vest in the Beneficiary of the deceased Participant on that day. Subject to the relevant Notified Scheme(s), all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within 12 months from the date of Termination of Employment or such period as provided under the relevant Notified Scheme(s), whichever is earlier unless the Board/ Committee decides otherwise. Any Vested Options not exercised within this aforesaid period 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 surviving any right/ liability for any party.

#### **13.2 For reasons other than Cause**

In case the employment of the Participant is terminated for reasons other than Cause then , all Unvested Options with the Participant on the Termination Date shall lapse and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party. Subject to relevant Notified Scheme(s) and Clause 12.4 and Clause 12.11 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within 6 months from the date of termination or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Board/ Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party in respect of such options.

Provided that nothing in this Clause 13.2 shall apply in case of termination or cessation of employment due to retirement or superannuation, and any Unvested Options would continue to vest and Vested Options may be exercised in accordance with the respective vesting schedules under the relevant Scheme even after retirement or superannuation in accordance with the Company's policies and applicable law.

#### **13.3 For Cause**

In case the termination of employment of a Participant with the Company is with Cause, all Options (Vested 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 surviving any right/ liability for any party in respect of such options.

#### **13.4 Long leave**

In the event a Participant is on Long Leave, such leave of absence will not be treated as continuous employment / service by an Option Eligible Employee for the purpose of the Plan. In such an event, the Options will Vest as per the discretion of the Board/ Committee.

It is further clarified that this clause will not apply to Long Leave which is as per Applicable Laws (such as maternity leave as prescribed under the provisions of the Maternity Benefit Act).

The rights granted to an Option Eligible Employee upon the grant of an Option shall not afford the Option Eligible Employee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with any present or past member of the Group or associated company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

**14 Notices and correspondence**

- 14.1 Any notice required to be given by a Participant/ Nominee to the Company/ the Committee/ Trust or any correspondence to be made between a Participant/ Nominee and the Board/ Company/ the Committee/ Trust may be given or made to the Board/ Company/ the Committee/ Trust at the registered office/corporate office of the Company or at a place as may be notified by the Board/ Company/ the Committee/ Trust in writing.
- 14.2 Any notice, required to be given by the Company/ the Committee/ Trust to a Participant/ Nominee or any correspondence to be made between the Company/ the Committee/ Trust and a Participant/ Nominee shall be given or made by the Board/ Company/ the Committee on behalf of the Company at the address provided by the Participant in his Acceptance Form or Nomination Form.

**15 Lock-in**

- 15.1 Subject to Clause 18, the Shares allotted/ transferred pursuant to the Exercise of the Vested Options under Clause 12 above in accordance with any Notified Scheme(s) shall be subject to a lock-in as specified under the respective Scheme(s) unless the Board/ Committee decides otherwise.

**16 Beneficiary/ Nominee designation**

- 16.1 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 will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

**17 Non-transferability of Options**

- 17.1 Save as provided in Clause 13.2 above, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/ Nominee 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.

**18 Transferability of Shares**

- 18.1 Subject to Clause 18.2, no Participant/ Beneficiary shall, before the Liquidity Event, transfer any of his Shares to any Person without obtaining prior written consent of the Board/ Committee, which the Board/Committee may or may not provide, at its sole and absolute discretion. Such consent shall also require Investor's approval.
- 18.2 If the Participant's employment is terminated due to Cause or if the Participant resigns at the instance of the Company, then all Shares held by such Participant / Beneficiary shall mandatorily offer to sell the Shares to the existing shareholders of the Company in the proportion of their shareholding in the Company ("**Intended Purchasers**") within 90 (ninety) days of termination of his employment, which may be extended at the discretion of the Board, at the Exercise price at which Shares were issued to such Participant ("Offer Letter"). The Intended Purchaser shall accept or reject such offer within a time frame as decided by the Board.
- 18.3 If the Participant's employment is terminated for reasons other than the reasons listed above in Clause 18.2, then the Intended Purchaser shall have a call right (the "Call Right") on the Shares held by such Participant until the Liquidity Event. Each of the Intended Purchasers collectively may exercise the Call Right by way of written notice. Upon receipt of the Notice, the Participant/Beneficiary shall be obligated to sell and the Intended Purchasers shall be obligated to purchase the Shares held by such Participant at a price which is equivalent to the fair market value of the Shares on the date prior to the issuance of the written notice. The sale and purchase of Shares pursuant to this sub-clause shall be consummated within such time period as may be prescribed under the written notice.

## **19 Corporate Actions**

- 19.1 In case of Corporate Action, the Board in accordance with Applicable Laws shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the Board on whether such action is necessary and the extent of such action by the Board shall be final and binding. If a change of control shall occur, the Board may make such adjustments at its discretion as are necessary or appropriate in light of the change of control (including, without limitation, the substitution of stock; or the acceleration of the exercisability of the Options), provided that the adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.
- 19.2 In case of Corporate Action, the Board/Committee may decide the method/process for dealing with Unvested Options.
- 19.3 In case of such Corporate Action, the Board/ Committee should adjust the number of Options and the price of Options in a manner such that total value of the Options should remain the same after that Corporate Action.

## **20 Withholding Tax or any other Sums**

- 20.1 Notwithstanding anything contained in the Notified Scheme(s) or any other Clauses of the Plan, if the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment or transfer of the Shares under the Notified Scheme(s) and or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company/ Employing entity/ Trust/ Trustee (in or outside India), then such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Committee at its sole discretion decides to recover in part from the Participant.
- 20.2 Notwithstanding anything else contained in this Plan or under the Notified Scheme therein, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Participant/ Nominee, on Exercise of the Options under the Notified Scheme(s) under the Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Committee at its sole discretion decides to recover only a part of the same from the Participant or Beneficiary.

## **21 Arbitration**

- 21.1 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 Interpretation or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. 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 90 days, gives 90 days' notice thereof to the other party in writing. 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. The arbitration proceedings shall be held in Kolkata 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 parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Kolkata. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Participant in connection with this ESOP 2018:
- (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.

## **22 Tenure**

- 22.1 This Plan and any Notified Scheme(s) shall continue in effect unless terminated by the Board / the Committee.
- Any such termination of this Plan or Notified Scheme(s) shall not affect Options/ Shares already Granted and such

Options/ 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/ Beneficiary and the Board/ Committee/ the Company.

## **23 Governing Law**

- 23.1 This Plan, all Notified Schemes under the Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 23.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the relevant Notified Scheme(s). The Options are subject to the Plan and the Notified Scheme(s). Any term of the Plan or any Notified Scheme(s) that is contrary to the requirement of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 or any other 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.
- 23.3 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).
- 23.4 In order to comply with regulation of any other country or to avail any tax or other benefits, 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.

## **24 Regulatory approvals**

- 24.1 The implementation of the Plan and the relevant Notified Scheme(s), the Grant of any Option as per terms of the relevant Notified Scheme(s) under the Plan and the issuance/transfer 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/ Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan and/ or the relevant Notified Scheme(s), the Options and the Shares issued pursuant thereto. The Participant/ Beneficiary under this Plan will, if requested by the Board/ Committee, provide such assurances and representations to the Company or the Board/ Committee, as the Board/ Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- 24.2 The Board shall make all the relevant disclosures in the Director's Report in relation to the Plan as are required under the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014.
- 24.3 The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 as applicable.

## **25 Modification of Plan/Scheme**

The Board/ Committee may, subject to a special resolution passed at a General meeting and with Investor's approval, as may be applicable, at any time and from time to time:

- 25.1 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 Eligible Employee/ Participant/ Beneficiary;
- 25.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Eligible Employee/ Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Eligible Employee/ Participant/ Beneficiary;
- 25.3 Alter the Exercise Price, if the Option becomes unattractive due to fall in market price of the Shares.

Provided that no variation, alteration, addition or amendment to the Plan or any Notified Scheme under the Plan can be made if it is detrimental to the interests of the Eligible Employee/ Participant/ Beneficiary and the approval of the Investors and Promoters has been obtained unless the terms are varied to meet any regulatory requirements.

- 25.4 Subject to the Clause 25.3, the Company may by special resolution in a General Meeting and with approval from Investors vary the terms of the Schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees.

## **26 Miscellaneous provisions**

- 26.1 No right to a Grant: Neither the adoption of the Plan, nor any action of the Board / Committee/ Trust shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and only to the extent of and on the terms and conditions expressly set forth therein, or in the Plan as the case may be.
- 26.2 No employment rights conferred: Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his employment at any time. Neither the adoption of the Plan and/or Notified Schemes hereunder, nor any action of the Company/ Board/ Committee/ Trust shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and only to the extent of and on the terms and conditions expressly set forth therein, or in the Plan as the case may be.
- 26.3 Transfer or Deputation: In the event that a Participant who has been granted Options under this Plan and Notified Scheme(s) is transferred or deputed to any Holding Company or Subsidiary Company as defined under the Companies Act, 2013 prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation. In the event that a Participant who has been granted benefits under this Plan, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the VFL, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.
- 26.4 Adherence to Applicable Laws: The Participant/ Nominee shall comply with all Applicable Laws.
- 26.5 Drag-along rights:
- 26.5.1 Notwithstanding Clause 18 but subject to Applicable Law, in the event of sale by Investor/Promoter of all or part of their Shares, other than through an offer for sale of their Shares pursuant to an initial public offering (“**Investor Sale**”), the Investor/Promoter shall have the right but not the obligation to send a written notice (“**Drag-Along Notice**”) to a Participant holding Shares issued under the Plan which notice shall include: (a) the name and address and identity of the proposed transferee; (b) the number of Shares that the Investor proposes to transfer under the Investor Sale; (c) the price per Share offered under the Investor Sale; (d) the number of Drag-Along Shares (defined hereunder) to be transferred under the Investor/Promoter Sale. The Investor/Promoter shall have the right but not an obligation, exercisable by delivery of the Drag-Along Notice to require the Participants to sell to the transferee such number of Shares at such time at the price mentioned in the Drag-Along Notice (“**Drag-Along Shares**”). The closing of any purchase of Drag-Along Sale shall take place at the time of closing of purchase of Shares of the Investor/Promoter and all other terms and conditions of Investor Sale shall accordingly be adhered to.

In relation to the Investor Sale, Board/ Committee with Investor's approval, acting in its absolute discretion with or without the consent or approval of the Participant/ Beneficiary, as it may deem fit: (a) accelerate the vesting of Unvested Options in accordance with the Notified Scheme(s), so that all of the Options are Vested prior to the Investor Sale; and (b) require all the Participants/ Beneficiaries, to Exercise all such Vested Options for the purposes of transfer under the Investor Sale.

- 26.5.2 The Board shall give each Participant/ Beneficiary a written notice (“The Drag Along Notice”) specifying details of the offer given by the acquirer or other entity, as the case may be, regarding the number of Shares which the Investor/Promoter proposes to transfer to the acquirer or other entity as the case may be. The terms and conditions of Investor Sale and the price offered by the acquirer or other entity as the case may be shall be the same as those offered to the Investor/Promoter. The Drag Along Notice shall also specify the number of Shares the Company/Shareholders is obliged to transfer to the acquirer or other entity as the case may be. After receipt of the Drag Along Notice, each Participant/ Beneficiary shall, as and when called up on by the Board, transfer the number of Shares at the price and as per

the terms mentioned in the Drag Along Notice. The Board/Committee may, at their discretion, identify a process for dealing with Vested Options of a Participant in case such Participant intends to Exercise such Vested Options before the date of the proposed Strategic Sale.

- 26.6 This Plan shall not confer on any person any legal or equitable rights against the Company or the Board/ Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board/ Committee.
- 26.7 The Company shall bear the costs of establishing and administering this Plan, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.
- 26.8 The Participant shall comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable, as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.
- 26.9 The acceptance of the Grant is entirely voluntary and the Company or the Board/ Committee does not guarantee any return on Shares or Options.
- 26.10 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.
- 26.11 In the event of listing of the Company, the Plan along with the notified Scheme(s) shall be subject to such amendment, suspension, alteration or termination as may be required to bring it in compliance with the relevant regulations pertaining to listed companies, and listing of shares of companies, including the SEBI Regulations.
- 26.12 Nothing in this Scheme shall be treated as a representation relating to an Initial Public Offer of the Company, or a commitment that the Company will undertake an Initial Public Offer at any point of time.
- 26.13 Inability to obtain authority: The inability of the Company/ Board/ Committee/ Trust to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any shares hereunder shall relieve and wholly discharge the Company/ Board/ Committee/ Trust of any and all liability in respect of the failure to issue or sell such shares.

## **27 Set-off**

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

## **28 Severability**

If any of the provisions mentioned in this Plan are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.

## **29 Effect of listing of the Shares**

It is hereby clarified that Clauses 18.2, 18.3 and 26.5, and the requirement to seek prior approval of the Promoters and/or Investors under Clauses 6.1, 7.1, 10.1, 18.1, 25, 25.3 and 25.4 or anywhere else in this Plan shall automatically cease to have effect from the commencement of listing and trading of the Company's Shares on a recognised stock exchange in India pursuant to an initial public offering.



### **30 Confidentiality**

- 30.1 The Eligible Employee specifically confirms and covenants to the Company that he is aware that the information regarding his/ her ESOP entitlements to this Option Agreement is strictly confidential and that the Option Eligible Employee cannot reveal/share the information with any of his/her peers, colleagues, co-employees or with any employee and/ or associate of the Company or its Subsidiaries or Holding Company or any other company of the Group. In case Option Eligible Employee is found in breach of this Confidentiality Undertaking, the Company has an undisputed right to forfeit the Options granted and all Vested and Unvested options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Undertaking shall be final and binding upon the Eligible Employee.

### **31 Covenants of the Eligible Employee**

#### **31.1 The Eligible Employee confirms that:-**

- i. the Eligible Employee shall not engage himself / herself in activities that have or will have an adverse impact on the reputation of the Company or its Subsidiaries or Holding Company.
- ii. while during employment with the Company or its Subsidiaries or Holding Company or Group company, the Eligible Employee shall engage exclusively in the work assigned by the Company or its subsidiaries or holding company, respectively, and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
- iii. the Eligible Employee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or its Subsidiaries or Holding Company.
- iv. in consideration of the Options granted to the Eligible Employee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Eligible Employee, the Eligible Employee shall also strictly abide by any and all of the terms of the employment agreed by the Eligible Employee.
- v. the Eligible Employee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company or its Subsidiaries or Holding Company) or as may be required by the Company or its Subsidiaries or Holding Company.
- vi. the Eligible Employee understands that the Grant of the Option is limited only to the Shares of VFL, and the Eligible Employee shall have no recourse to the shares of any other company of the VFL group in any manner whatsoever.
- vii. the Eligible Employee understands that "Confidential Information" means any or all information about the Company or its Subsidiaries or Holding Company that satisfies one or more of the following conditions:
  - a) such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company or its Subsidiaries or Holding Company; or
  - b) such information which is critical, in the Company's opinion, to the Company's current or anticipated business or research and development activities or those of a customer or supplier or associate or channel partner of the Company or its Subsidiaries or Holding Company and the disclosure of the same would affect their competitiveness; or
  - c) such information which either has been identified as confidential by the Company or its Subsidiaries or Holding Company (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
  - d) such information which either is of a nature that it gives a distinct edge to the Company or its Subsidiaries or Holding Company over competition when not shared with the competition, or is likely to give any advantage to the com-

petition or any other organization / person / group of persons when shared with the organization / person / group of persons; or

- e) such information which is required to be kept confidential by any requirement of law.

31.2 **“Confidential Information”** includes all trade related information, trade secrets, confidential and privileged information, customer information, employment related information, strategies, administration, research in connection with the Company or its Subsidiaries or Holding Company and commercial, legal, scientific, technical data that are either provided to or made available to the Eligible Employee by the Company or its Subsidiaries or Holding Company to facilitate his/her work or that the Eligible Employee is able to know or has obtained access by virtue of his/her employment or position with the Company or its Subsidiaries or Holding Company, as the case may be. To illustrate, the following is an indicative list of Confidential Information:-

- i. computer programs, inventions, samples, designs, drawings, machines, tools, photographs, source codes, object codes, methods, concepts, formulas, algorithms, processes, technical specifications, analyses, discoveries, improvements, marketing methods, manufacturing processes, research and development information;
- ii. organizational matters, business plans, company policies, sales forecasts, employee and personnel information (including information pertaining to their terms of employment, experience, contact details, appraisals, performance, competencies, specialized skills / expertise, medical information, etc.);
- iii. non-public financial information relating to the Company or its Subsidiaries or Holding Company including its financial results for any period;
- iv. Business Plans of the Company or its Subsidiaries or Holding Company including its monthly reports and estimates;
- v. Current and prospective customer lists and information on customers and their employees;
- vi. Information relating to existing and potential intellectual property of the Company or its Subsidiaries or Holding Company;
- vii. Dividend policy of the Company or its Subsidiaries or Holding Company including the intended declaration of dividend;
- viii. Issue of shares of the Company or its Subsidiaries or Holding Company by way of public offers, rights issues, bonus issue, employee stock options;
- ix. Major expansion plans or execution of new projects including information concerning amalgamations, mergers, acquisitions and takeovers being planned or contemplated by the Company or its Subsidiaries or Holding Company and information concerning the purchase of major equipment or property and the disposal of any undertakings of the Company or its Subsidiaries or Holding Company;
- x. Information relating to the Company or its Subsidiaries or Holding Company regarding acquisition or loss of significant contracts, significant disputes with major suppliers, consumers or any Governmental or regulatory agency;
- xi. Any information that may affect the earnings/ profitability of the Company or its Subsidiaries or Holding Company;
- xii. Any other change in policies, plans or operations of the Company or its Subsidiaries or Holding Company.