
EMPLOYEES STOCK OPTION SCHEME 2018

OF

E2E NETWORKS LIMITED

E2E EMPLOYEE STOCK OPTION SCHEME 2018

1. INTRODUCTION

- This Employee Stock Option Scheme applies to the employees of E2E Networks Private Limited, a company incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at 282, Sector-19 Faridabad – 121002 India (hereinafter referred to as "the **Company**").
- The objective of this ESOS is to provide motivation to the employees of the Company, and to enable them to participate in joint achievement of corporate objectives and provide a sense of ownership to these employees. It is also expected that the ESOS will help the Company in retaining its invaluable manpower resource as well as help in attracting the best available talent in the industry. The Company is in the process of maximizing the motivation of these employees and to encourage the sense of ownership in these employees, and therefore, it is deemed appropriate to offer them participation in stock options of the Company and make them co-owners in the business and growth of the Company.
- This document sets out the features of the ESOS, the benefits accruing to the employees under the Scheme, the duties and responsibilities of the beneficiaries as also the procedures to be followed. The document shall serve as a reference for the administration of the ESOS. This document along with its enclosures / annexure should be carefully read and understood and the procedures prescribed need to be diligently observed for availing the benefits under the ESOS.
- This document governs the issuance of stock options to the employees of the Company, and it needs to be understood in common commercial parlance.
- This is a confidential document and should not be discussed with others.

Part A

Statement of Risks

- All investments in shares or options on shares are subject to risk as the value of shares may go down or up. In addition, employee stock options provided to the employees under this ESOS are subject to the following additional risks:
 - 1.1. 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.
 - 1.2. 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.
 - 1.3. Illiquidity: 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.
 - 1.4. Vesting: The Options (vested / unvested / unexercised, as the case maybe) must be treated in the manner set out in Clause 7 below.

Part B

Information about the Company

- **Business of the Company**

1. The Company is presently engaged in the business of providing infrastructure as a service (IAAS) maintaining virtual private servers and dedicated servers (the "Business"). The main object as stated in the Memorandum of Association of the Company is as under:
 - a) To run datacenter services, managed, un-managed or value added to provide hosted solutions or for captive data centers and to provide provisioning, monitoring and billing tools to enable datacenters to offer basic or value-added services to their clients or stakeholders.
 - b) To publish, sell, resell and license research/intellectual property rights for datacenter, computing, networking infrastructure energy efficiency and any related or un-related areas.
 - c) To conduct business as designers, inventors, researchers, manufacturers, producers, processors, makers, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers concessionaires and to provide storage facilities for hardware, software & firmware
 - d) To provide consultation, implementation, management, operations, vendor development, identification of collaborators, product marketing, commercialization, validation, testing, comparison, services decision support, evaluation. Negotiation and liason for Software, Design, Architecture, Marketing, Virtualization, Cloud-Computing, IT, business, telecom, network, datacenter, people and infrastructure.
 - e) To buy, sell, resell software, intellectual property rights, technical services either produced, developed by us or in conjunction with other companies, individuals, non-profits or any other entities.
2. Abridged financial information:

Abridged financial information for the last five years for which audited financial information is available in a format similar to that required under item B(1) of Part II of Schedule II of the Companies Act, 2013. The last audited accounts of the Company should also be provided unless this has already been provided to the employee in connection with a previous option grant or otherwise.

- **Risk Factors**

- The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings and interest rates, our ability to manage growth, intense competition in Financial services including those factors which may affect our cost advantage, our ability to attract and retain highly skilled professionals, client concentration, reduced demand in our key focus areas, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions in India, and general economic conditions affecting our industry.

- **Continuing Disclosure Requirement**

The Option Holders shall receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

Management Perception: Some of the risks are normal to the nature of industry in which the Company operates and some others are beyond the control of the Company.

Part C

Salient Features of the Scheme

- This ESOS shall be called the “**E2E ESOS SCHEME 2018**”.
- The Scheme applies to all Eligible Employees of the Company. The Committee would decide the entitlement of each employee based on his/her level, grade and seniority.
- This ESOS shall be deemed to have come into force on **1st March, 2018** and shall continue to be in force until: (i) its termination by the Committee; or (ii) the date on which all of the Options available for issuance under this ESOS have been issued and Exercised.
- Upon this ESOS becoming effective, the E2E ESOS SCHEME 2017 extant shall stand terminated, however, all Options granted under the E2E ESOS SCHEME 2017 shall continue to be governed by this ESOS.

2. DEFINITIONS

- 2.1. “Board” or “Board of Directors” means the board of directors of the Company, as constituted from time to time.
- 2.2. “Committee” means the Compensation Committee of the Board, as constituted from time to time.
- 2.3. “Director” means a person appointed as a director to the Board of the Company.
- 2.4. “Employee” means (a) a permanent Employee of the Company who has been working in India or outside India; or (b) a director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or (c) an employee as defined in clause (a) or (b) of a subsidiary, in India or outside India 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 anybody corporate, directly or

indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company.

- 2.5. "Eligible Employee" means an Employee as determined by the Committee to be entitled to Grant of Options under this ESOS.
- 2.6. "ESOS" or "Scheme" means this E2E ESOS SCHEME 2018 and shall include any alterations, amendments, modifications, or variations made thereto from time to time.
- 2.7. "Exercise" means the making of an application by the Option Holder to the Company for issue of Shares against the Options Vested in him in pursuance of the ESOS, and payment of the Exercise Price pursuant to the same.
- 2.8. "Exercise Period" shall have the meaning ascribed to it under Clause 8.2.
- 2.9. "Exercise Price" means the price at which the Company's Shares are first offered to the general public for issuance less a discount of 10% (Ten Percent).
- 2.10. "Promoter" shall mean Mr. Tarun Dua and Ms. Srishti Baweja.
- 2.11. "Grant" means issue of Options to the Eligible Employees under this ESOS.
- 2.12. "Grant Date" means the date fixed by the Company to be the date on which the scheme is extended to any Eligible Employee. The date would be specified in the Letter of Grant issued to the Eligible Employee.
- 2.13. "Independent director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the Promoter Group.
- 2.14. "Letter of Grant" means the letter issued by the Company substantially in the form provided in Annexure A hereto intimating an Eligible Employee of the Options granted to him/her for acquiring a specified number of Shares at the Exercise Price and as per the Vesting Period described therein. The Letter of Grant shall *inter alia* include details such as (a) number of Options offered; (b) terms and conditions of the Grant and the Exercise Period; (c) vesting schedule; (d) conditions subject to which Vesting would take place; and (e) Exercise Price.
- 2.15. "Nominee" or "Nominees" means the spouse, any child of the Option Holder or any other person nominated by the Option Holder as provided hereinafter.
- 2.16. "Option" means a right but not an obligation granted to an Eligible Employee in the form of a stock option pursuant to the ESOS, which may be Exercised at a future date, but only during the Exercise Period or such other period specified under this ESOS, subject to the Vesting schedule prescribed in the Letter of Grant and subject to the terms of this ESOS.
- 2.17. "Option Holder" means the holder of an outstanding Option granted pursuant to this ESOS.
- 2.18. "Permanent Disability" means any disability of any nature whatsoever, 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 Committee based on a certificate of a medical expert identified by the Company.

2.19. "Promoter Group" shall have the same meaning assigned to it under applicable regulations under the Securities and Exchange Board of India Act, 1992. Provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company.

2.20. "Securities" means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

2.21. "Shares" means equity shares of the Company of a face value of Rs.10/- each, as adjusted continuously for all stock dividends, stock splits, consolidations or similar events.

2.22. "Stock Exchange" means, a stock exchange, whether within or outside India, which is notified / recognized by any government authority as a stock exchange, for the purpose of trading in Securities under applicable laws.

2.23. "Vesting" means the process by which the Option Holder is given the right to apply for the shares of the employee against the Option Granted to him in pursuance of this ESOS.

2.24. "Vesting Period" means the period from the date of Grant till the date on which such Option becomes a vested Option (making the Option Holder eligible to Exercise the Option) during which the Vesting, of the Option granted to the Option Holder in pursuance of ESOS takes place.

3. ELIGIBILITY TO PARTICIPATE IN ESOS

All the Eligible Employees, who are selected by the Committee through a selection process based on their performance, grade, their potential contribution to the growth of the Company and other factors, shall be eligible to participate in this Scheme. The Committee shall grant Options to the Eligible Employees as decided by the Committee.

4. GOVERNANCE

4.1. This ESOS shall be operated and administered by the Committee.

4.2. The Committee shall comprise of [3] Directors, as may be appointed, from time to time.

4.3. Not less than one-half of the members of the Committee shall be independent directors. Provided that the chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.

4.4. Subject to Applicable Laws and the provisions of ESOS, the Board shall have the power to formulate and determine the terms and conditions of Options, including but not limited to the following:

4.4.1. the quantum of Options to be Granted per Eligible Employee and in aggregate;

4.4.2. number of Options to be apportioned/allocated for various grades of Eligible Employee(s);

4.4.3. determining the eligibility criteria (including length of service, performance, commitment and contribution towards growth of Company, technical knowledge etc.) and the Eligible

- Employees thereof;
- 4.4.4. timings in relation to Grant, Vesting and Exercise of Options;
 - 4.4.5. the number of tranches, if any, in which Grant of Options shall be made and the number of Options to be Granted in each such tranche,
 - 4.4.6. to determine the Exercise Price for Options to be Granted,
 - 4.4.7. to determine the fulfillment of conditions required for Grant/Vesting/Exercise to be done;
 - 4.4.8. vesting and Exercise criteria subject to which Options Granted would Vest in the Employee and may be Exercised by an Eligible Employee respectively;
 - 4.4.9. number of Options reserved, if any, for Granting to Employee(s) at a future date;
 - 4.4.10. the conditions under which vested Options in Employee(s) may lapse;
 - 4.4.11. the specified time period within which the Employee shall Exercise the vested Options in the event of termination of employment or resignation;
 - 4.4.12. to formulate rules relating to all matters not specifically covered herein, in a manner consistent with equity and natural justice and the terms of ESOS;
 - 4.4.13. the procedure for cashless Exercise of Options, if allowed by the Board;
 - 4.4.14. framing of suitable policies and systems to ensure compliance with the applicable laws including SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market), Regulations, 2003;
 - 4.4.15. to prescribe, amend and cancel, modify the terms and conditions based on rules and regulations relating to ESES;
 - 4.4.16. to construe and interpret the terms and conditions of ESES and Options Granted pursuant to ESES and make any other determination or take any other action that the Committee may deem necessary or desirable for the administration of ESES;
 - 4.4.17. to deal with all incidental and related matters in connection with the items (a) to (q) and otherwise to ensure compliance with the requirements of applicable laws; and
 - 4.4.18. to settle any doubts / queries in connection with this ESES.

4.5. The terms prescribed by the Committee shall be final and binding on all the Eligible Employees.

5. QUANTUM OF GRANT

- 5.1. No Grant of Options equal to or more than 4,00,000 (Four Lakh) Options at the time of Grant of Options shall be made to a single Eligible Employee.
- 5.2. Total number of Options granted under the present Scheme shall not exceed the limit of 4,00,000 (Four Lakh) Shares of the Company as prescribed under the Agreement.
- 5.3. The following process shall be followed by the Committee in respect of Grant of an Option:
 - 5.3.1. The Committee shall identify the Eligible Employees of the Company who may be Granted Options and determine the terms of the Scheme proposed to be made applicable to them.
 - 5.3.2. In no case shall the Company be entitled to issue any Options to any Eligible Employee, which is not granted in accordance with this Scheme or where the Options, in aggregate, are in respect of more than 4,00,000 (Four Lakh) Shares of the Company.
 - 5.3.3. It is clarified that where the Company issues any Options to any person, in respect of which the above process and terms of issuance are not followed, such Options

shall be treated as null and void and shall not entitle any employee to subscribe to any Shares of the Company.

6. GRANT PROCEDURE AND ACCEPTANCE OF OPTIONS

- 6.1. Options representing Shares under the Scheme will be offered to the selected Eligible Employees as per the Letter of Grant given in Form I, (Annexure 'A') containing among other details, the number of Options that are being offered.
- 6.2. An Eligible Employee shall be allowed to accept the Options within a period of 30 days of the Letter of Grant. The acceptance has to be communicated in writing by the Eligible Employee to the Company in Form II (Annexure 'B'). It is hereby clarified that the Option shall expire if it has not been accepted within the said period of 30 days. The Eligible Employees of the Company who are offered the Options shall have the right to accept the Options in full or in part. Unaccepted options shall be eligible to be offered to other Eligible Employees at the discretion of the Committee.
- 6.3. The Option Holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till Shares are issued upon Exercise of Options.

The date of Grant of an Option under this ESOS shall, for all purposes, be the date on which the Committee approves the Grant.

- 6.4. Subject to applicable laws, where an Employee is a Director nominated by any institution as its representative on the Board of the Company, such Employee shall not be entitled to participate in the ESES unless:
 - a) The contract or agreement entered into between the institution nominating its employee as the Director of the Company, and the Director so appointed shall, inter alia, specify the following:
 - i. whether the said employee, in his capacity as Director of the Company, has the right to accept the Grants made by the Company under this ESES;
 - ii. that a Grant made to the Director shall not be renounced in favour of the nominating institution; and
 - iii. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company
 - b) the institution nominating its employee as a Director of the Company shall file a copy of the contract or agreement with the Company, and in the event the Shares of the Company are listed, the Company shall, in turn file the copy with all the Stock Exchanges on which Shares of the Company may be listed.
 - c) the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.
- 6.5. The Board, in the event an Eligible Employee is promoted, shall have the sole discretion whether to Grant Options or Grant additional Options, if he/she has already been Granted Options before promotion, the date of Grant, the quantum of Grant and the like

shall be entirely at the discretion of the Board.

- 6.6. In the event of cancellation of any Option by the Board, under the Applicable Laws or under any order of a jurisdictional court, no compensation shall be payable to the Option Holder(s) for such cancelled Options.

7. VESTING OF OPTIONS

- 7.1. The Options shall Vest over a period of 5 (five) years of continuous completed service or such other period as may be determined by the Committee on case to case basis from the date of Grant of Options. It being clarified that each annual vesting shall be subject to continuous and uninterrupted employment of the Option Holder with the Company for a period of 12 (Twelve) months.
- 7.2. There shall be a minimum period of 1 (one) year (known as “cliff period”) between the grant of Options and vesting of Options.
- 7.3. Vesting of Options would be subject to continued employment with the Company. The Eligible Employee must neither be: (i) be subject to any disciplinary proceedings pending against him; or (iii) on an unaccounted leave of absence.
- 7.4. In the event that an Eligible Employee who has been granted Options is transferred or deputed to an associate company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Eligible Employee even after the transfer or deputation.

8. EXERCISE PERIOD, EXERCISE OF OPTIONS, EXERCISE PRICE AND PRICING FORMULA

- 8.1. The Company shall issue a letter to the Option Holder, upon the expiry of the Vesting Period (“Due Date”), for issue of vested shares. The same can be exercised by the Option Holder within the Exercise Period. The Option holder shall be issued one Share against every one Option on Exercise. The Exercise Price of the Options shall be determined by the Committee and shall be set out in the Letter of Grant to the Option Holders. Payment in respect of the Shares Exercised will have to be made along with the Exercise of the Option within the said Exercise Period as decided by the Committee. Provided these Shares will be issued against Exercise of the Option after the encashment of the payment instrument as sent by the Option Holder along with his request for Exercising of the Option.
- 8.2. On the expiry of the Vesting Period, the Option Holder has the option to convert the Options into Shares of the Company, either in full or in part (a) at any time, as long as the Option Holder continues to be employed with the Company; or (b) within a period of 90 (Ninety) days from the date of cessation of the Option Holder’s employment with the Company; or (c) such other period as may be determined by the Committee on case to case basis (“**Exercise Period**”). In the event the Option is not exercised within the Exercise Period, then the Option shall be forfeited by the Company. In case he Exercises and pays for only a part of the Options during the Exercise Period, the balance of the Vested Options shall lapse.
- 8.3. If the Option Holder fails to pay the full Exercise Price, for the vested Options he wishes to Exercise, within the Exercise Period, the vested Options shall lapse.

- 8.4. The Option Holder will be entitled to Exercise part of the Shares Vested and also pay for the Exercised part, and in such a case, the unexercised part of the Vested Options shall lapse upon the expiry of the Exercise Period and the same should be surrendered to the Company and at the discretion of the Committee, these Shares can be granted to other Eligible Employees.
- 8.5. Subject to the discretion of the Committee and applicable laws, the Option Holder, on Exercise of the Options, shall pay tax on the perquisite value, if any, applicable.
- 8.6. An Option cannot be Exercised for a fraction of Share. In the event of Exercise of Options resulting in fractional Equity Shares, the Board shall be entitled to round off the number of Equity Shares to be given to nearest whole number, and the Exercise Price will be adjusted accordingly.
- 8.7. Upon allotment of the Equity Shares, the Eligible Employees shall become members of the Company. The Equity Shares allotted to the Eligible Employees pursuant to ESOS shall rank *pari passu* with all the existing Shares of the Company (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment). At the time of allotment of Equity Shares pursuant to a valid Exercise, the Eligible Employee will be required to sign such document(s) as may be considered necessary by the Committee / Company to lawfully execute/ enforce various provisions of the ESOS.

9. ISSUANCE OF SHARES IN INDIVIDUAL NAME

- 9.1. On payment of full amount by the Option Holder, the number of Shares Exercised will be issued to the Option Holder's name.
- 9.2. Stamp duty, if any, payable on issue of these Shares shall be borne by the Company.

10. TRANSFERABILITY OF OPTION

- 10.1. Option granted to an Eligible Employee shall not be transferable to any person.
- 10.2. The Option granted to the Eligible Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

11. DISCONTINUATION OF SERVICES BEFORE VESTING

- 11.1. Death: In the event of the death of an Option Holder while in employment, the unvested Options shall immediately vest in the name of legal heirs/nominees of the option holder and the legal heirs/nominees of the option holder will be entitled to exercise the option immediately after but not later than 90 days from the date of death.
- 11.2. Permanent Disability: In the event the Option Holder suffers from permanent disability caused during the course of employment, the unvested Options shall immediately Vest in the name of the Option Holder, subject to the regular Exercise procedures as provided elsewhere in this Scheme.
- 11.3. Long Leave: In the case the Option Holder goes on long leave of over 6 months during the Vesting Period, then the Committee reserves the right to extend the Vesting Period by a period not exceeding the leave period.

11.4. In the event that the Option Holder's employment is terminated due to resignation or other reasons without Cause (as defined below), all the unvested Options shall immediately lapse.

For purposes of this Section, "Cause" shall mean that the Option Holder shall have committed any of the following acts:

- a) an act of a crime, fraud, embezzlement, theft, or any other material violation of law in connection with the employee's duties; or
- b) wrongful damage to material assets of the Company; or
- c) wrongful disclosure of material confidential information or proprietary information of the Company; or
- d) wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty; or
- e) breach of any stated material employment policy of the Company; or
- f) directly joining a competitor/customer/existing vendor of the Company up to 2 years after leaving the organization; or
- g) an act of dishonesty or other misconduct by the Employee during the performance of her/his duties that is detrimental to the pecuniary interests, reputation or goodwill of the Company or results in pecuniary gain to the Employee.

11.5. In the event that the Option Holder's employment is terminated due to Cause (as defined above), all the Options granted to the Option Holder shall immediately lapse.

11.6. In the event of retirement of the Option Holder, all unvested Options shall lapse as on the date of retirement and the Option Holder shall be entitled to exercise the vested Options within the Exercise Period.

12. TERMINATING TRANSACTIONS

12.1. On the occurrence of liquidation or dissolution of the Company or a reorganization, merger or consolidation of the Company with another entity, or a sale of the business of the Company or substantially all of its assets, or in the event of a Transfer of Control (as defined below) the Committee may, at its discretion accelerate the vesting of Options in a manner it deems fit.

The term “Transfer of Control” shall include any sale of equity shares of the Company, whereupon the shareholders of the Company prior to such sale or acquisition do not own a majority of the outstanding shares of the surviving corporation.

13. BENEFITS AND OBLIGATIONS AS SHAREHOLDERS

- 13.1. The rights available to the Eligible Employees under this Scheme shall be in addition to any benefits available to such Eligible Employees under any applicable law or scheme formulated by the Company.
- 13.2. All the Eligible Employees who have been allotted Shares under the ESOS after Exercise of Options will receive all regular benefits as shareholder of the Company like dividends, rights and bonus shares.
- 13.3. Where the Options have been granted but not vested in the Option Holder, should his services be transferred to a subsidiary or holding company of the Company, he can be deemed in continuous service of the Company at the discretion of the Committee for the purpose of this Scheme subject to applicable laws in this regard.
- 13.4. Where the Options have not been vested in Option Holder, should any change be made to the equity share capital of the Company by reason of consolidation, sub division, or conversion of shares into stock or by capitalisation by bonus issue or otherwise, appropriate adjustments shall be made either to the number or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the said option holders, and also prevent a dilution or enlargement of benefits of ESOS.
- 13.5. The Option holder shall not have the right for any additional option in the Company due to fresh round of investment in the Company, merger and acquisitions and that leads to further dilution of the shareholding.
- 13.6. The Option Holder shall undertake not to utilise any unpublished information available at his disposal to indulge in insider trading.
- 13.7. The Option Holder shall not under any circumstances assign or transfer his rights or obligations under the ESOS to any third party, except as contemplated in Clause 14 of the Scheme, without the consent in writing by the Committee.

14. APPOINTMENT OF NOMINEE

- 14.1. The Option Holder may appoint his/her nominees(s) for the purpose of exercising the rights of the Option Holder, subject to the obligations, in terms of the ESOS. The Option Holder has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. If the Option Holder does not have spouse or a child, any other person may be nominated. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Option Holder concerned and the Company shall not be liable in relation to any rights and obligations amounts the legal heirs inter se of the Option Holder concerned.
- 14.2. If the Option Holder fails to make a nomination, the Shares shall Vest on his/her legal heirs in the event of his/her death or permanent disability.

15. TAX LIABILITY

- 15.1. Subject to applicable laws, any tax liability arising on account of exercise of options the liability shall be that of the Eligible Employee alone.
- 15.2. All tax liabilities arising on disposal of the Shares after exercise would require to be handled by the Eligible Employee.
- 15.3. In the event of any tax liability arising on account of ESOS, the Committee or the Company shall have the right to recover such amount from the amounts otherwise payable to the Eligible Employee, including but not limited to the salary of such Eligible Employee, or cause the shares held by the Eligible Employee under this ESOS, to be sold or otherwise alienated to meet the liability, on behalf of such Eligible Employee.

16. LIMITATION OF LIABILITY

- 16.1. No director or any member of the Committee, or any officer or employee of the Company acting on behalf of the Board of Directors and/or the Committee shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Scheme, and all the directors and the members of the Committee and each and any officer or employee of the Company acting on behalf of the Board and/or the Committee shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.
- 16.2. Nothing in this Scheme shall be construed as affording to the Eligible Employees or any other person any additional rights as to compensation or damages in consequence of the termination of employment, for any reason whatsoever.

17. GENERAL RISKS AND DISCLOSURES

- 17.1. Participation in this Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investment are that of the employee alone.

18. CHANGE IN TERMS AND CONDITIONS

- 18.1. The Committee may, at any time at its discretion change the terms and conditions of the

ESOS. However, the changes shall not be to the detriment of the Eligible Employee participating in the ESOS. All the changes, however, would be subject to law and must be carried out with the consent of the Board and the Shareholders. The Company shall be entitled to vary the terms of the ESOS to meet any regulatory requirements.

- 18.2. In case of any contradiction between the provisions of this ESOS and any applicable laws, the provisions of such applicable law shall override the provisions of this ESOS.
- 18.3. The Company may reprise the Options which are not exercised, whether or not they have been vested if ESOSs were rendered unattractive due to fall in the price of the Shares in the market. Provided, that the Company shall ensure that such reprising shall not be detrimental to the interest of employees and approval of shareholders in general meeting has been obtained for such reprising.

19. CONTRACT OF EMPLOYMENT

- 19.1. This Scheme shall not form part of any contract of employment between the Company and the Eligible Employee. The rights and obligations of any individual under the terms of his/her office or employment with the Company shall not be affected by his/her participation in the Scheme.
- 19.2. Nothing in this Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- 19.3. This Scheme shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- 19.4. This Scheme is purely at the discretion of the Company.

20. ACCOUNTING POLICY

The Company shall conform to the accounting policies regarding Options prescribed and applicable to it, from time to time. The Company shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for employee stock option schemes then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

21. CONFIDENTIALITY

The Eligible Employee who holds any Options under ESOS shall not divulge the details of the Scheme to any person except with the prior permission of the Company obtained in writing. The Company may also require the Option Holder to enter into any agreement, as the Company may desire from time to time to more fully and effectively implement this Scheme.

23. DISPUTE RESOLUTION

In case of any disputes relating to the interpretation of this Scheme, the decision of the

Committee shall be final and binding on the Eligible Employees, Option Grantees and Employee Shareholder (as the context warrants).

25. PREVENTION OF INSIDER TRADING

- 25.1 If the Shares are listed, the Option Holder shall ensure that there is no violation of applicable SEBI Regulations for “Prevention of Insider Trading” in Shares and Securities, respective Code(s) for Prevention of Insider Trading Code of the Employer Company formulated thereunder and the SEBI Regulations for “Prevention of Fraudulent and/or Unfair Trade Practices relating to the Securities Market”.
- 25.2 The Option Holder shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above provisions, if applicable.