



## The Hi-Tech Gears Limited Stock Incentive Plan, 2021

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## 1 Name of the Plan

This Plan shall be termed as the “**The Hi-Tech Gears Limited Stock Incentive Plan, 2021**” (“**Plan**”). The Plan has been approved by a resolution passed in the meeting of the Board of Directors of the Company held on April 12, 2021 and shareholders’ in their meeting held on September 29, 2021. The Plan has been approved for Eligible Employees of The Hi-Tech Gears Limited and its subsidiaries.

## 2 Effective Date of the Plan

The Plan shall be effective from September 29, 2021 herein after referred to as the “Effective Date”.

## 3 Purpose of the Plan

The Hi-Tech Gears Limited, a company limited by shares under the Companies Act, 2013, of India having its registered office at Plot No. 24, 25, 26, Sector - 7, IMT Manesar, Gurgaon - 122 050, Haryana, India, has structured this Plan for Eligible Employees of the Company. The objective of the Plan is:

- To attract and retain the best talent in the Industry
- To align shareholder’s and employee’s objectives, by providing proportionate reward to employees based on shareholder’s value creation
- To motivate outperformance in the Company
- To recognize and reward contribution of the Eligible Employees to the Company’s success

This purpose is sought to be achieved through the grant of Options to the Eligible Employees to subscribe to the Equity Shares of the Company. This purpose may be achieved through the grant of Options to the Eligible Employees as may be recommended by the Board to subscribe to the Equity Shares of the Company.

## 4 Definitions

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

- 4.1 “Applicable Laws” shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws’ provisions thereof.
- 4.2 “Board” means the Board of Directors of the Company and includes the Nomination and Remuneration Committee of the Board for the purpose of administration and superintendence of this Plan pursuant to Clause 6 of the Plan.
- 4.3 “Cause” means the following: (i) the appropriation (or attempted appropriation) of a materi-



al business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (ii) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (iii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (iv) conduct materially injurious to the Company's reputation or business or; (v) willful misconduct

- 4.4 "Closing Date" means the last date on which the offer of Options by the Company to a Grantee can be accepted. In case the last date is a non working day, then it shall be the immediately following working day.
- 4.5 "Company" / "THGL" shall mean The Hi-Tech Gears Limited, a company limited by shares under the Companies Act, 2013, having its registered office at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurgaon- 122050, Haryana, India.
- 4.6 "Continuous Employment" shall mean the absence of any interruption or termination of service as an employee by the Company or any of its subsidiaries. Continuous employment shall not be considered interrupted during any period of (i) any leave approved by the Company; or (ii) transfers between locations of the Company or between the Company and any parent, subsidiary or successor of the Company. A leave of absence approved by the Company shall include sick leave, emergency leave, long leave or any other personal leave approved by an authorised representative of the Company
- 4.7 "Corporate Action" shall mean issuance of Equity Shares in dematerialized form with any of the Depositories as defined under Depositories Act, 1996, pursuant to any corporate event including but not limited to events prescribed under Clause 26.3.
- 4.8 "Eligible Employee" mean the following Employees:
- (a) all permanent employees, present and / or future of The Hi-Tech Gears Limited and / or its Subsidiary(ies), working in or out of India;
  - (b) all Directors, whether whole time or not of The Hi-Tech Gears Limited and / or its Subsidiary(ies), but does not include independent director; and

Provided that an Eligible Employee who is a Promoter or forms part of the Promoter Group of the Company shall not be eligible to participate in the Plan.

Provided further that a Director who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company shall not be eligible to participate in the Plan.

- 4.9 "Equity Share" / "Share" means equity shares of the Company.
- 4.10 "Exercise" means making of an application by the Participant to the Company for issue of Equity Shares against the Vested Options in pursuance of the Plan on payment of the Exercise Price.
- 4.11 "Exercise Date" means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his



Vested Options.

- 4.12 "Exercise Period" means the period as specified in Clause 12 of this Plan within which the Participant should exercise his right to apply for Equity Shares against the Options Vested in him in pursuance of the Plan.
- 4.13 "Exercise Price" means the price payable by the Participant for exercising the Options granted to him in pursuance of the Plan.
- 4.14 "Fair Value" means the fair value of the Options as may be certified by a Category - I Merchant Banker or an independent valuer as may be specified under the Applicable Laws.
- 4.15 "General Meeting" means a General Meeting (including Extraordinary General Meeting or postal ballot) of the shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws.
- 4.16 "Grant" means grant of Options to a Grantee under the Plan.
- 4.17 "Grant Date" means the date on which the Options are granted to a Grantee by the Board under the Plan.
- 4.18 "Grant Letter" means the letter by which grant of an Option is communicated to the Grantee.
- 4.19 "Grantee" shall mean an Eligible Employee who is eligible to participate under the Plan and to whom an offer of Option is made by the Board.
- 4.20 "Independent Director" means director designated as such and as defined under Section 2(47) of the Companies Act, 2013.
- 4.21 "Long leave" means a continuous unpaid leave of 30 continuous days or more during the vesting period or any other period determined by the Board from time to time.
- 4.22 "Nomination and Remuneration Committee" / "NRC" means the Nomination and Remuneration Committee of the Company formed in accordance with Section 178 of the Act.
- 4.23 "Option" means the benefit or right, but not an obligation, to purchase or subscribe at a future date, the Equity Shares offered by the Company at the Exercise Price determined in accordance with Clause 11 of the Plan.
- 4.24 "Participant" means a Grantee who accepts an offer from the Company to participate in the Plan pursuant to Clause 9 of the Plan.
- 4.25 "Permanent Disability" means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps participant from performing any specific job, work or task which the said participant was capable of performing immediately before such disablement.
- 4.26 "Plan" / "THGL SIP 2021" shall mean the "The Hi-Tech Gears Limited Stock Incentive Plan,

2021" under which the Company grants Options to the Grantees and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

- 4.27 "Promoter" shall have the same meaning as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 4.28 "Promoter Group" shall have the same meaning as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 4.29 "Relative" means immediate relative namely spouse, parent, brother, sister or child of the person or the spouse.
- 4.30 "Subsidiary(ies)" means the present or future subsidiaries of the Company in accordance with the provisions of the Applicable Laws.
- 4.31 "Termination Date" means the date of termination of employment of the Participant with the Company.
- 4.32 "Unvested Option" means an Option, which is not a Vested Option.
- 4.33 "Vested Option" means an Option, which has vested in pursuance to Clause 10.2 & 10.3 of the Plan with the Participant and has thereby become exercisable.
- 4.34 "Vesting" means the process by which the Participant is given the right to apply for Equity Shares of the Company against the Options granted to him in pursuance of the Plan.
- 4.35 "Vesting Date" means the date on which the options vest with the Participant and the Participant is entitled to exercise options subject to the Clause 12 of the Plan.
- 4.36 "Vesting Period" means the period during which the vesting of the Option granted to the Participant in pursuance of the Plan takes place.

#### Construction

- a) The headings / subheadings / titles / subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles, which shall be interpreted solely in light of the contents thereof.
- b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- c) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- d) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- e) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
- f) The terms not defined herein shall have the meaning as defined under the Companies Act, 2013.

## 5 Eligibility





5.1 Subject to Clause 5.2 and 26.1 of the Plan and such criteria as may be decided by the Board at its own discretion, including, but not limited to the date of joining of the Eligible Employee with the Company or the Subsidiary(ies), performance evaluation, current compensation, criticality or any other criteria, future potential, such Eligible Employees, as determined by the Board, may participate in the Plan. Employees joining the Company after the date of implementation of the Plan will be entitled to participate in the Plan, on a case to case basis and subject to such criteria as may be decided solely by the Board.

5.2 An Employee who is a

- Promoter; or
  - belongs to the Promoter Group; or
- a director of the Company or its Subsidiary(ies), who either by himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Plan.

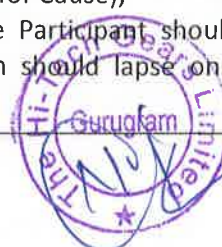
## 6 Administration of the Plan

6.1 The Plan shall be administered by the Board through the Nomination and Remuneration Committee and may delegate its duties and powers in whole or in part as it determines. The Board is authorized to interpret the Plan, to adopt, amend or revise any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Board may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board deems necessary or desirable.

6.2 The acts of a majority of the members of the Board present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Board shall be the acts of the Board for the purpose of the Plan. No member of the Board may act upon matters under the Plan specifically relating to such member. Any decision of the Board in the interpretation and administration of the 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, Grantee and / or Participants). Neither the Company nor the Board shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted there under.

6.3 Subject to the provisions of the Plan, the Board shall, *inter alia*, do the following:

- i. Adopt rules and regulations for implementing the Plan from time to time;
- ii. Identify the Employees eligible to participate under the Plan;
- iii. Grant Options to the Eligible Employees, in one or more tranches, and determine the Grant Date;
- iv. Determine the quantum of the Options to be granted under the Plan per Eligible Employee and in aggregate;
- v. Determine the conditions under which Options vested would lapse for the Participant (in case of termination of employment for Cause);
- vi. Determine the Exercise Period within which the Participant should exercise the Option and the period within which the Option should lapse on the failure to exercise the Options within the Exercise Period;





- vii. Determine the specified time period within which the Participant shall exercise / surrender the Vested Options in the event of termination or resignation of the Participant;
- viii. Determine the right of a Participant to exercise all the Options vested in the Participant at one time or various points in time within the Exercise Period;
- ix. Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others.
- x. Determine the Grant, Vesting and Exercise of Options in case of Participants who are on Long Leave;
- xi. amend or revise the vesting conditions, schedule, Exercise Period and / or Exercise Price for options granted or other terms and conditions of the Plan.
- xii. Determine the procedure for cash less exercise of Options, if decided by the Board.
- xiii. Decide to pay cash benefit / compensation to the Participant in lieu of the Options already granted to them, whether vested or not, and consequently surrender such respective options for which compensation is paid to the Participant.
- xiv. To create a trust to manage the Plan for all or any identified part of the options granted under the Plan, if needed
- xv. Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof
- xvi. Decide all other matters that must be determined in connection with an Option under the Plan;
- xvii. Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan and approve all forms and documents required to be issued to the Eligible Employees pursuant to the Plan;
- xviii. Administer and reconcile any inconsistency in the Plan; and
- xix. Perform such other functions and duties as shall be required under the Applicable Laws, including intimation, filing of documents/ application at the requisite authorities and listing of shares after exercise at Stock Exchanges.

## **7 Number of Securities reserved under the Plan**

- 7.1 Subject to Clause 26.3 of the Plan, upto a maximum of 600,000 Equity Shares may be issued, representing 3.20% of the outstanding number of equity shares issued by the Company as on April 12, 2021, being the date of board meeting in which the Plan is approved.
- 7.2 All Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted or allotted. The Company may grant such Options within the overall limits as per Clause 7.1 of the Plan.

## **8 Grant of Options**

- 8.1 The Board may grant the Options to a Grantee who is an Eligible Employee in accordance with the terms and conditions of the Plan for the time being in force.
- 8.2 Each Option will entitle the Grantee to subscribe for / receive Equity Shares of the Company as per Clause 10.2 and 10.3 of the Plan.



- 8.3 The offer of Grant of the Options by the Board to the Grantee shall be made in writing and communicated to the Grantee. Such a Grant offer shall state the number of Options granted, the Exercise Price, Vesting details and the Closing Date of accepting the offer.
- 8.4 The Closing Date shall not be more than 30 days from the Grant Date.
- 8.5 Exercise Price shall be payable by the Participant at the time of exercise of Options in accordance with this Plan.
- 8.6 Subject to Clause 12.1 of this plan, an offer of Grant made under Clause 8.1 of the Plan is personal to the Grantee and cannot be transferred in any manner whatsoever.

## **9 Method of Acceptance**

- 9.1 Any Grantee who wishes to accept an offer made pursuant to Clause 8 of the Plan must give his acceptance in the format as prescribed in the Grant cum Acceptance Letter on or before the Closing Date stated in the Grant Letter.
- 9.2 Any Grantee who fails to give his acceptance in writing on or before the Closing Date shall, unless the Board determines otherwise, be deemed to have rejected the offer.
- 9.3 Upon receipt of acceptance of the Options granted from the Grantee in respect of the Grant, the Grantee will become a Participant.

## **10 Vesting of Options**

- 10.1 Subject to the terms contained herein, the acceptance in accordance with Clause 9 of the Plan of a Grant made to a Participant, shall conclude a contract between the Participant and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 10.2 There should be a minimum period of one year between the grant of options and vesting of options and such maximum period as may be determined by the Board, but not exceeding four years.

Unless otherwise decided by the Board, the options granted shall vest over four years in the manner as under:

On completion of Year 3 from the date of Grant	50% of options granted
On completion of Year 4 from the date of Grant	50% of options granted

- 10.3 Subject to Clause 12 of the Plan, for a valid vesting, a Participant is required to be in service on the Vesting Date and not be serving his notice upon resignation / termination of service on the Vesting Date.

If on the date of vesting, any disciplinary proceeding is pending against the Participant for a Cause, the vesting shall be kept in abeyance till the completion of such proceedings. If the outcome of the proceedings proves that an act of Cause has been committed by the Participant, all such outstanding options, vesting of which was kept in abeyance, shall lapse.



- ## 11 Exercise Price

- Any such re-pricing of Options shall be communicated by the Board to the Participant in writing.

12.1 The Exercise period will commence from the date of vesting and extend up to not later than five years from the date of the vesting of the Options or such lesser period as may be decided by the Committee, from time to time.

- | Sr. No. | Vested Options  | Details  |
|---------|---|--|
| 1       | Resignation / Termination (other than for a Cause)                                  | All Vested Options can be exercised by the Participant immediately after, but in no event later than 3 (three) months from the date of such resignation / termination.     |
| 2       | Termination due to Cause  | All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.                       |
| 3       | Retirement / Early Retirement / Term coming to an end or as approved by the Company | All Vested Options can be exercised by the Participant immediately after, but in no event later than 3 (three) months from the date of such retirement / early retirement. |
| 4       | Death   | All Vested Options can be exercised by the legal heirs immediately after, but in no event later than 12 (twelve) months from the date of death of the Participant.         |
| 5       | Permanent Disability  | All Vested Options can be exercised by the Participant immediately after, but in no event later than 12 (twelve) months from the date of permanent disability.             |

Sr. No.	Unvested Options	Details
1	<b>Death</b>	All the unvested options as on the date of death shall deemed to be vested with the Participant's nominee or legal heirs immediately. Such Options can be exercised by the legal heirs immediately after, but in no event later than 12 (twelve) months from the date of death of the Participant.
2	<b>Permanent Disability</b>	All the Unvested Options as on the date of termination of Participant due to Permanent Disability shall vest with the Participant immediately. Such Options can be exercised by the Participant or, in case of his death, the nominee or legal heirs immediately after, but in no event later than 12 (twelve) months from the date of permanent disability.

In all other cases, the unvested options held by the Participant shall stand lapsed on the last date of employment.

- 12.3 Subject to Clause 10 and Clause 12 of the Plan, the Participant can exercise the Vested Options within the Exercise Period by paying the Exercise Price to the Company. Such exercise may be of all Vested Options or part of the Vested Options, provided the Participant shall Exercise, subject to Clause 15 of the Plan.
- 12.4 The vested options can be exercised either in full or in part. No fraction of a Vested Option shall be exercisable in its fractional form and should be rounded off to the nearest multiple of one for a valid vesting.
- 12.5 Exercise of the Options shall take place at the time and place designated by the Board or the Company and by executing such documents as may be required under the Applicable Laws to pass a valid title of the relevant Equity Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 12.6 An Option shall be deemed to be exercised only when the Board receives written or electronic notice of exercise and a confirmation that the Exercise Price (in accordance with the Plan) has been received from the Participant.
- 12.7 On Exercise, the Participant can subscribe to / acquire the Equity Shares on the full payment of the Exercise Price and any other sums due to the Company as per Clause 19 of the Plan in respect of exercise of the Option ("Aggregate Exercise Price"), and the Company shall allot the Equity Shares to the Participant or, if so requested in writing by the Participant, to the Participant jointly with another person, provided the Board / Company find the Exercise form complete and all conditions of the Plan complied with. Subsequent to such allotment / transfer, the Participant can sell the Equity Shares so acquired only in accordance with suitable policies / rules / procedures framed by the Company / Board, if any.
- 12.8 The Board shall endeavor to ensure that the process of allotment of Equity Shares to the Participant who has validly exercised his Vested Options is completed within one month of



the receipt of a valid Exercise Form.

- 12.9 Notwithstanding anything else contained in this Plan, if the Participant does not Exercise his Vested Options within the time specified in Clause 12 of the Plan, the Options shall be forfeited and cancelled.
- 12.10 Transfer of the Participant from one Company to a subsidiary Company or vice versa shall not mean termination of the Participant. The Participant will continue to hold the vested & unvested options until (i) the same are exercise / lapsed / forfeited in terms of this Plan; or (ii) the exercise period has completed, whichever is earlier.
- 12.11 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, banker's cheque or demand draft;
  - ii) remittance directly from the Participant's bank to the Company's bank account (electronic transfer);
  - iii) by any combination of such methods of payment or any other method acceptable to the Board at its discretion.

### **13 Allotment of Equity Shares**

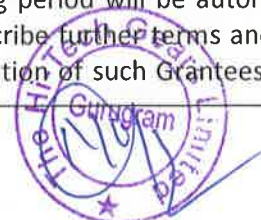
- 13.1 On receipt of application(s) complete in all respects, the Board shall make an allotment of Equity Shares.
- 13.2 Upon allotment of the Equity Shares, the Participant shall become member of the Company, and shall be entitled to all rights as a shareholder of Equity Shares of the Company. At the time of allotment of Shares pursuant to a valid Exercise, the Participant will be required to sign such papers as may be considered necessary by the Committee to lawfully execute / enforce various provisions of the Plan.
- 13.3 The Equity shares to be allotted shall rank *pari passu* in all respects with the outstanding Equity Shares of the Company.

### **14 Tenure**

- 14.1 The Plan shall continue in effect unless terminated by the Company or the Board. Any such termination of the Plan shall not affect Options already granted and such Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Participants and the Company or the Board.
- 14.2 Any termination of the Plan shall not affect Options already granted and such Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Participants and the Company or the Board.

### **15 Participants on Long Leave**

- 15.1 In case the Option Grantee goes on a Long Leave the vesting period will be automatically extended by such period of Long Leave. The Board may prescribe further terms and conditions for the vesting of such options considering the contribution of such Grantees for the





performance. The Board reserves the right to exempt any Option Grantee from these provisions.

## **16 Non-transferability of Options**

- 16.1 Save as provided in Clause 12.1 and Clause 8.7 of the Plan, 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 otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## **17 Rights of a Participant**

- 17.1 Rights as Equity shareholder: The rights of a Equity shareholder shall be conferred upon the Participant only on exercise of the Options and resulting issue of Equity Shares. Upon allotment of the Equity Shares, the Participant shall become member of the Company, and shall be entitled to all rights as a shareholder of Equity Shares of the Company. The Equity Shares to be allotted shall rank *pari passu* in all respects with the outstanding Equity Shares of the Company.
- 17.2 Neither the Participant nor any person entitled to exercise the Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend and right to vote, or in any manner enjoy the benefits as a shareholder of the Company in respect of the Options granted / vested, till such time as the Equity Shares are allotted pursuant to a valid exercise of the Options in favor of such Participant or such person.

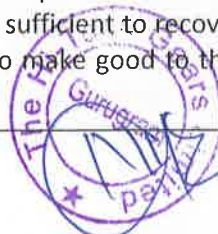
## **18 Beneficiary Designation**

- 18.1 Each Participant under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Plan is to be delivered in case of his death before he receives all of such benefit. Each such nomination which revokes 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 and submitted with the Company during the Participant's lifetime.

## **19 Tax Implications**

All Options granted under the Plan shall be subject to deduction of tax at source as applicable under law, if any, at the time of Grant, Vesting, Exercise of such options or allotment of Equity Shares, as per the applicable laws.

The Company shall deduct the Tax deductible at source as per the applicable laws or any other tax levy in respect of Grant, Vesting, Exercise of such Options or allotment of Equity Shares. The Company shall have the right to recover the said Tax deducted at source from the salary or any other amount payable to the Participant or Beneficiary. If the salary / amount payable by Company to the Participant is not sufficient to recover the amount of tax deducted at source, such Participant shall be liable to make good to the Company for such amount.





Notwithstanding anything else contained in this Plan, no Equity Shares shall be allotted to the Participant or his Beneficiary, on Exercise the Options under this Plan unless tax / any other levy imposed have been recovered.

## **20 Modification of Plan**

The Board may pursuant to a special resolution passed at a General Meeting at any time and from time to time:

- 20.1 Subject to receipt of requisite approvals, revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Participants within the overall authority previously approved in the General Meeting of the Company;
- 20.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Participants. Each of such sets of special terms and conditions shall be restricted in its application to those Participants;
- 20.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participants separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participants; and
- 20.4 Alter the formula for calculation of Exercise Price, if the Option becomes unattractive due to fall in Market Price of the Equity Share.

Provided that no variation, alteration, addition or amendment to the Plan can be made if it is detrimental to the interest of the Participant and overall makes plan less favorable to the participants. Further any such modification should be informed to participants, within 24 hours of any such modifications.

## **21 Governing Law**

- 21.1 This Plan and all agreements there under shall be governed by and construed in accordance with the Applicable Laws.
- 21.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Options are subject to the Plan. Any term of the Plan that is contrary to the requirement of any Applicable Laws or other Indian Regulations shall not apply to the extent it is contrary.

## **22 Arbitration**

- 22.1 In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. In case of failure in arriving at an amicable settlement in 1 month, the matter shall be referred for final determination to an arbitrator appointed by the Board and the decision of such an arbitrator shall be final and binding on the Company and the Participant. The arbitration proceedings



shall be held at New Delhi, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator 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 New Delhi.

## **23 Regulations and Approvals**

- 23.1 The grant of any Option pursuant to the Plan and the obligation of the Company to issue Equity Shares with respect to Options granted under the Plan shall be subject to the Applicable Laws and rules and regulations made thereunder and obtaining all such approvals from governmental agencies as may be deemed necessary or appropriate by the Board.
- 23.2 The Board may make such changes to the Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority.
- 23.3 The implementation of the Plan, the Granting of any Option under the Plan and the issuance of any Equity Shares under this Plan shall be subject to the procurement by the Company and the Participants of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan, the Options and the Equity Shares issued pursuant thereto. The Participants under this Plan will, if requested by the Board, provide such assurances and representations to the Company or the Board, as the Board may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **24 Notices and Correspondence**

- 24.1 Any notice required to be given by a Participant to the Company or the Board or any correspondence to be made between a Participant and the Company or the Board may be given or made to the Company at the registered office of the Company, or the Board as may be notified by the Company in writing.
- 24.2 Any notice required to be given by the Company or the Board to the Participant or any correspondence to be made between the Company or the Board and the Participant shall be given or made by the Company or the Board on behalf of the Company at the address provided by the Participant at his present address registered with the Company.

## **25 Indemnification**

To the maximum extent permitted by law, the Company shall indemnify and hold harmless the members of the Board from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the gross negligence, bad faith, willful misconduct or criminal acts of such persons.

## **26 Miscellaneous Provisions**

- 26.1 No right to a Grant: Neither the adoption of the Plan, nor any action of the Board shall be deemed to give an Eligible Employee any right to be granted an Option to acquire Equity

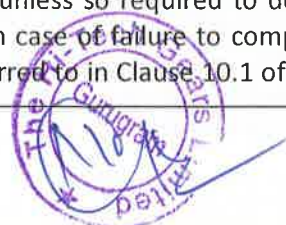


Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and then only to the extent of and on the terms and conditions expressly set forth therein, or in the Plan as the case may be.

- 26.2 No employment rights conferred: Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Participant 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.
- 26.3 Corporate Actions: In case of any corporate action such as rights issues, bonus issues, merger and others, the Board shall be empowered to adjust the number and the price of ESOP in a manner such that total value of the ESOP remains the same after the corporate action. For this purpose global best practice in this area including the procedures followed by the derivative markets in India and abroad shall be considered. The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the Participant.
- 26.4 Disclosure requirements: The Board of Directors shall make all the relevant disclosures in the Director's Report or in form of any other disclosure in relation to the Plan as are required under the Applicable Laws. The Company shall also ensure that the Participants are provided with all developments in the Company.
- 26.5 Accounting Methods: The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time.
- 26.6 This Plan shall not confer on any person any legal or equitable rights against the Company or the Board directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board.
- 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 acceptance of the Grant is entirely voluntary and the Company or the Board does not guarantee any return on Equity Shares or Options.
- 26.9 The Participant shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.
- 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.

## **27 Confidentiality**

- 27.1 The Participant shall not divulge the details of the Plan and/ or his holdings to any person except with the prior written permission of the Board unless so required to do under any statutes or regulations applicable to such Participant. In case of failure to comply with this Clause by the Participant, the Grant or the contract referred to in Clause 10.1 of the Plan, as



the case may be, shall, unless the Board decides otherwise, stands automatically terminated without any liability to the Company.

## **28 Severability**

- 28.1 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 Law.

## **29 Set-off**

- 29.1 It is the Company's or the Board's obligation to convey to the Participant that the Equity Shares shall be subject to set-off or counterclaim of amounts owed by the Participant to the Company, to the extent permitted under Applicable Laws and as decided by the Board or Board.

